

**The Long-Term Implications of Current Defense Plans:  
Detailed Update for Fiscal Year 2008 (March 2008)**

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# **The Long-Term Implications of Current Defense Plans:**

Detailed Update for Fiscal Year 2008

All Funding in Billions of 2008 Dollars

## Past and Projected Funding for Defense

The chart displays U.S. military spending from 1980 to 2025, categorized into six main components: Military Personnel, Military Construction, Operation and Maintenance, Family Housing, Research, Development, Test, and Evaluation, and Procurement. The chart is divided into three time periods: Actual (1980-2008), FYDP (2009-2013), and CBO Projection (2014-2025). A significant spike in spending is shown in 2008, labeled '2008 Supplemental Request', which is highlighted in pink. Other labels include '2007 Supplemental Appropriations', 'October 2006 Projection', and 'With Total Unbudgeted Costs'. The chart also shows 'With Contingency Unbudgeted Costs' as a dashed red line.

Figure 1-2 Updated

Past and Projected Spending for National Defense

(Billions of 2008 Dollars of Outlays and Outlays as a Percentage of Gross Domestic Product)

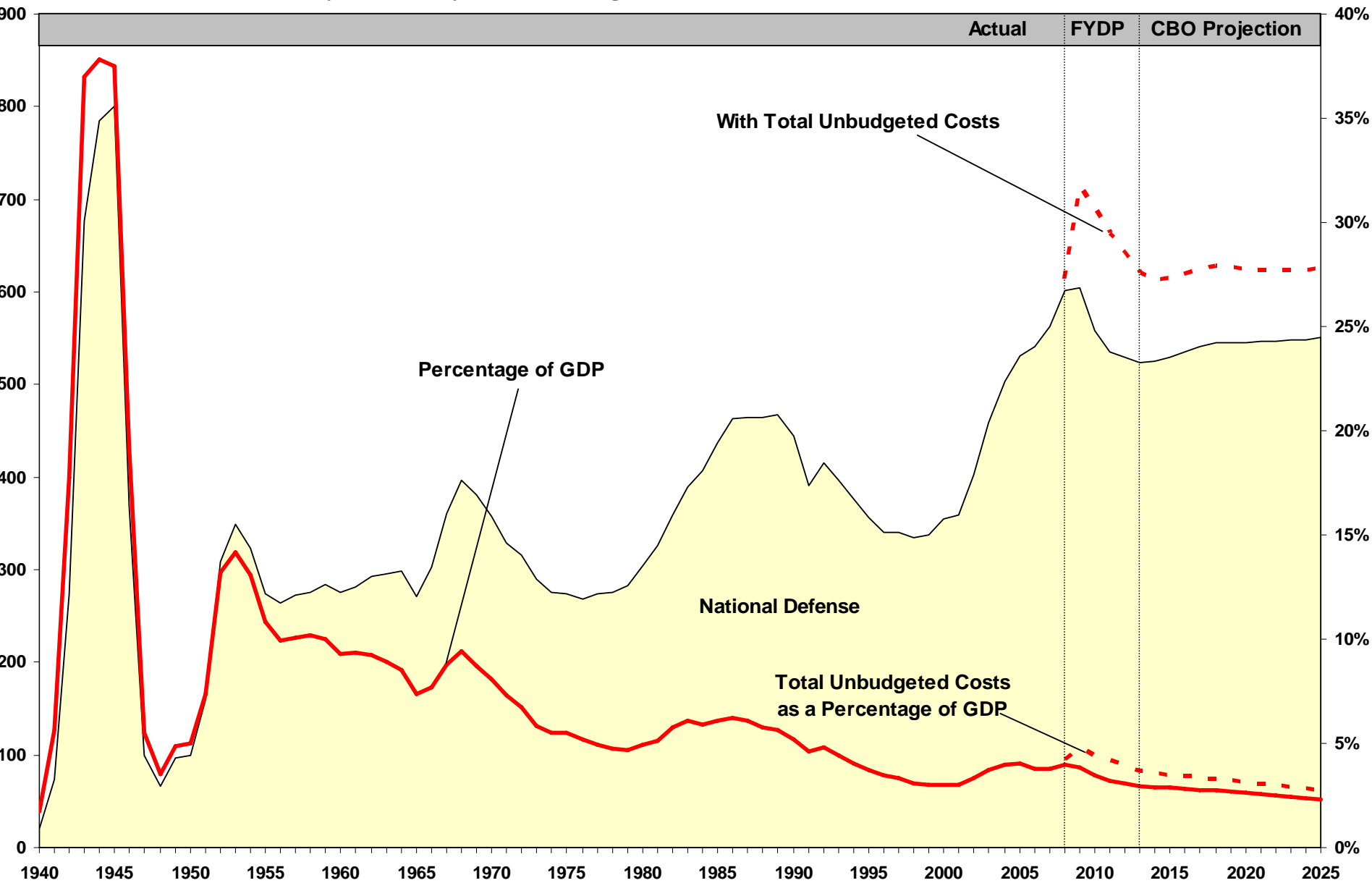


Figure 2-1 Updated

Funding for Operation and Support, by Functional Category

(Billions of 2008 Dollars of Total Obligational Authority)

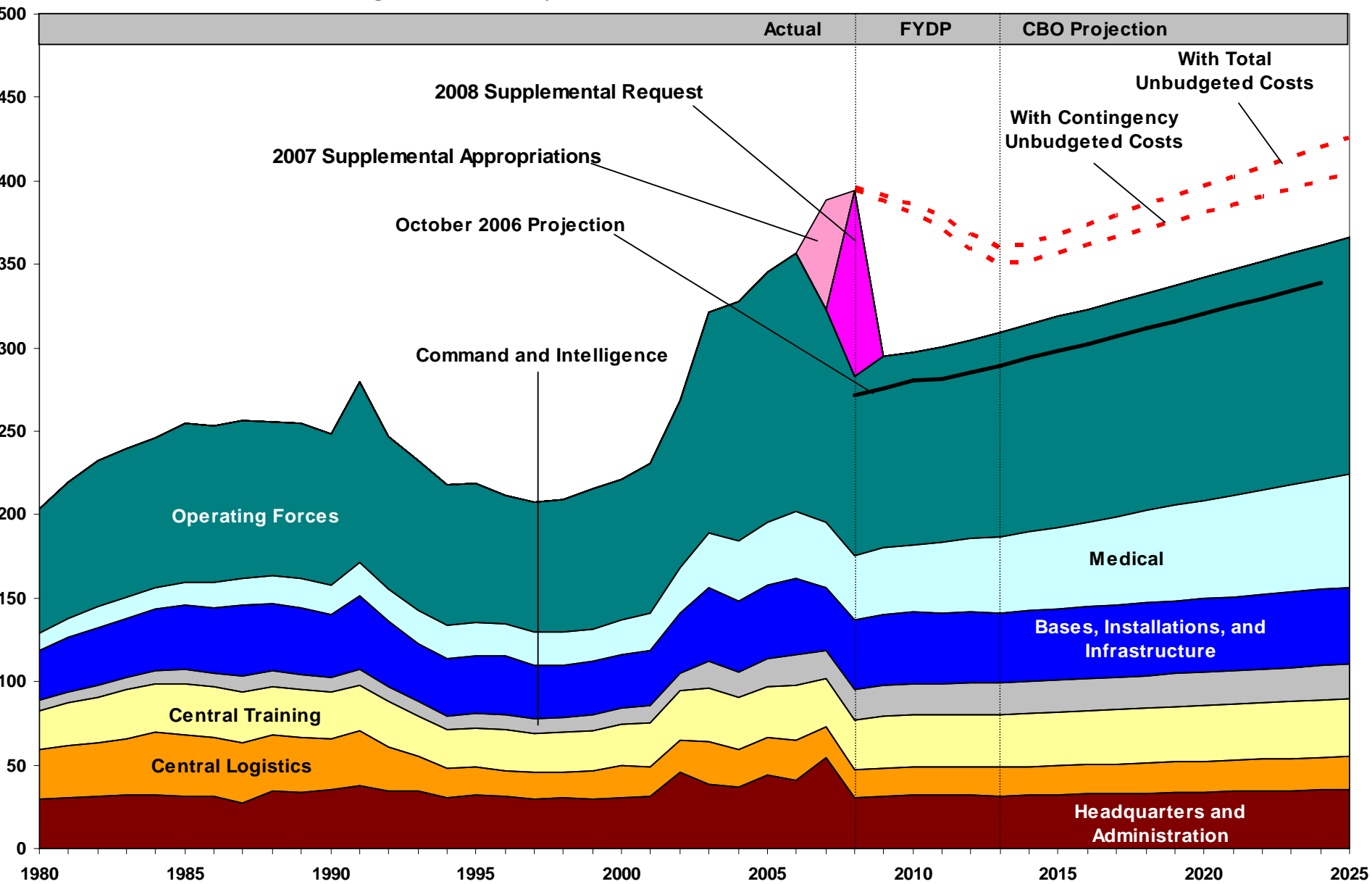


Figure 2-2 Updated

Funding for Operation and Support, by Military Department

(Billions of 2008 Dollars of Total Obligational Authority)

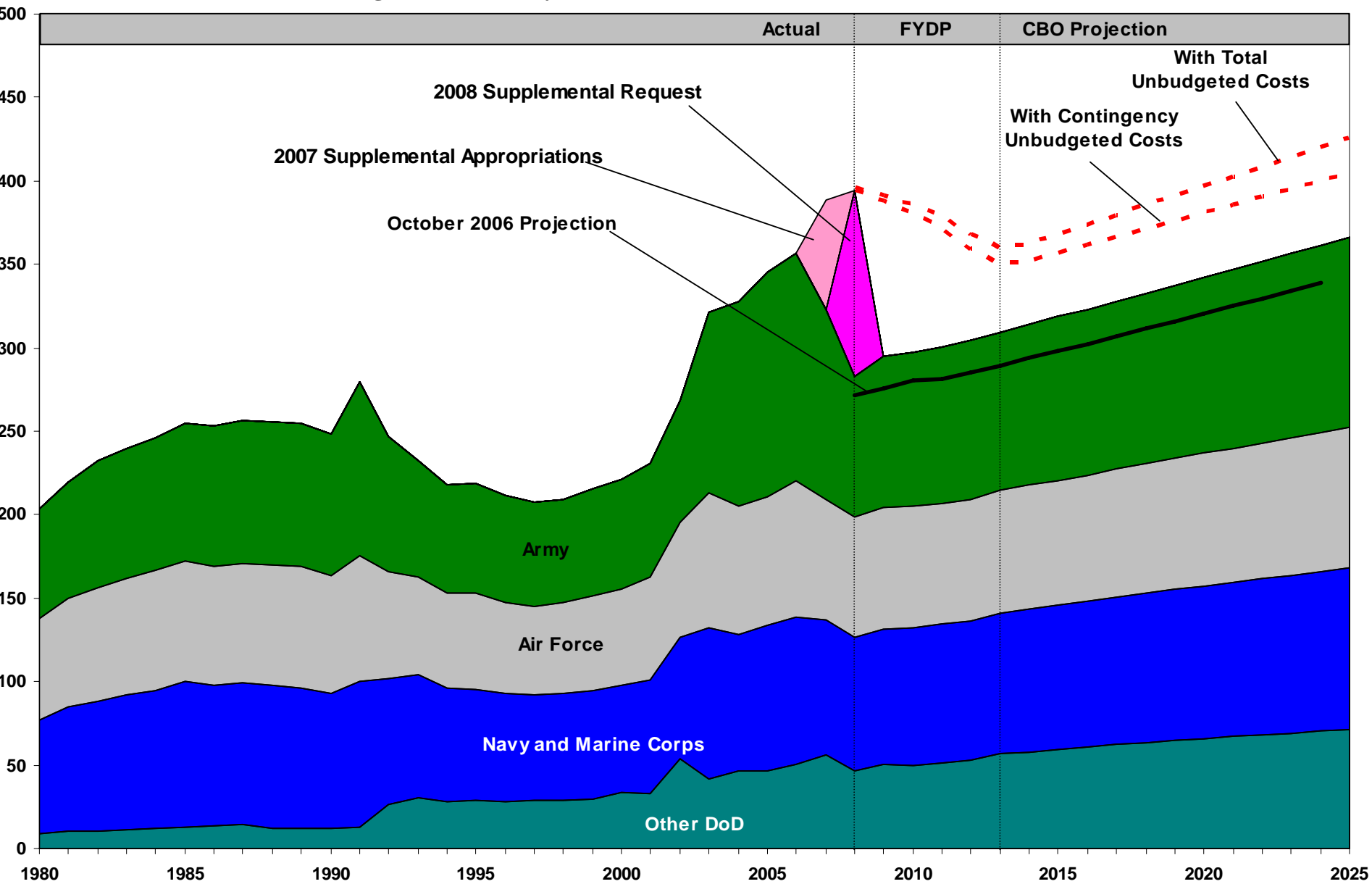


Figure 2-3 Updated

Funding for Operation and Support, by Account

(Billions of 2008 Dollars of Total Obligational Authority)

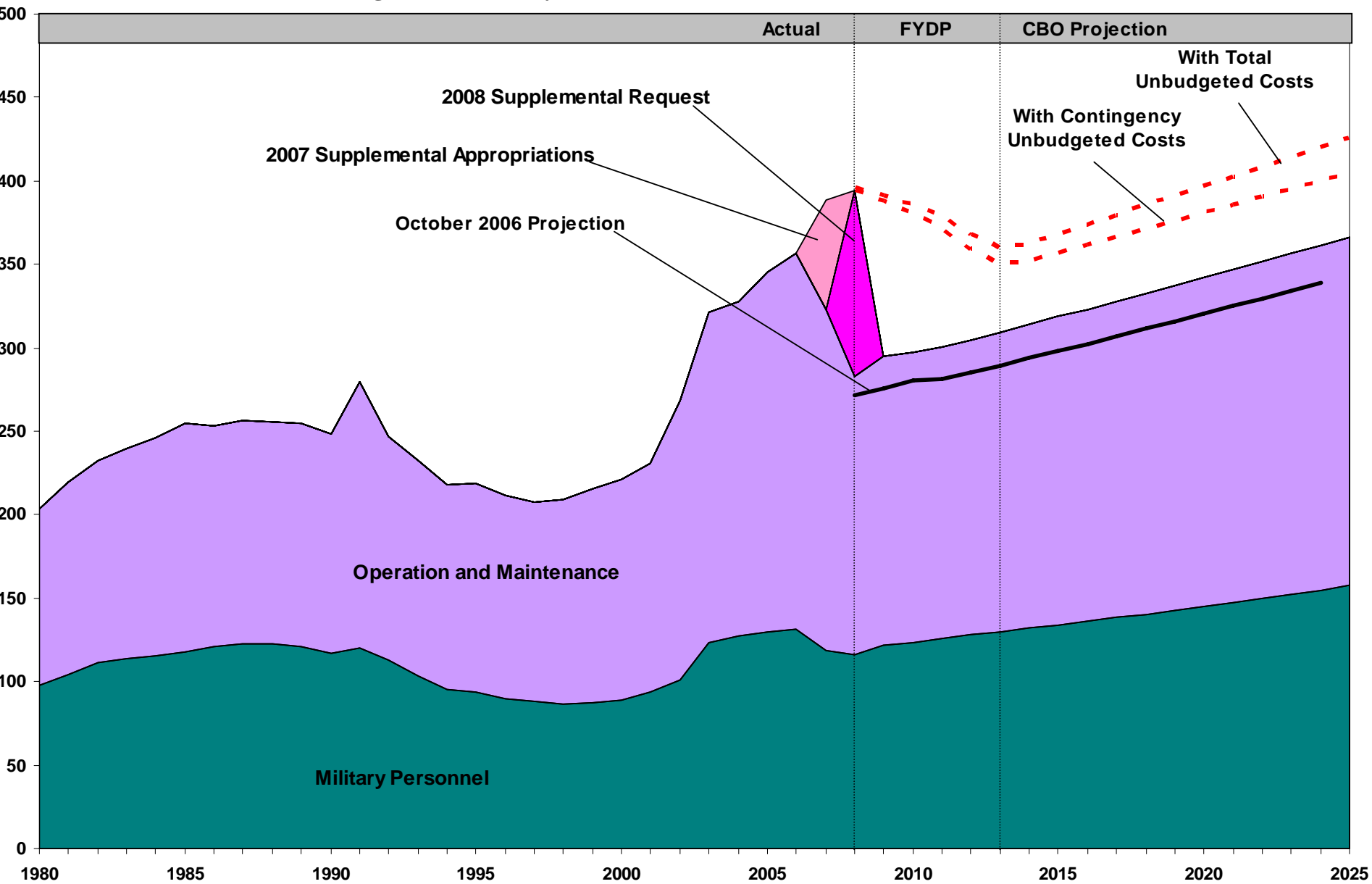




Figure 2-4 Updated

Funding for Operating Forces, by Military Department

(Billions of 2008 Dollars of Total Obligational Authority)

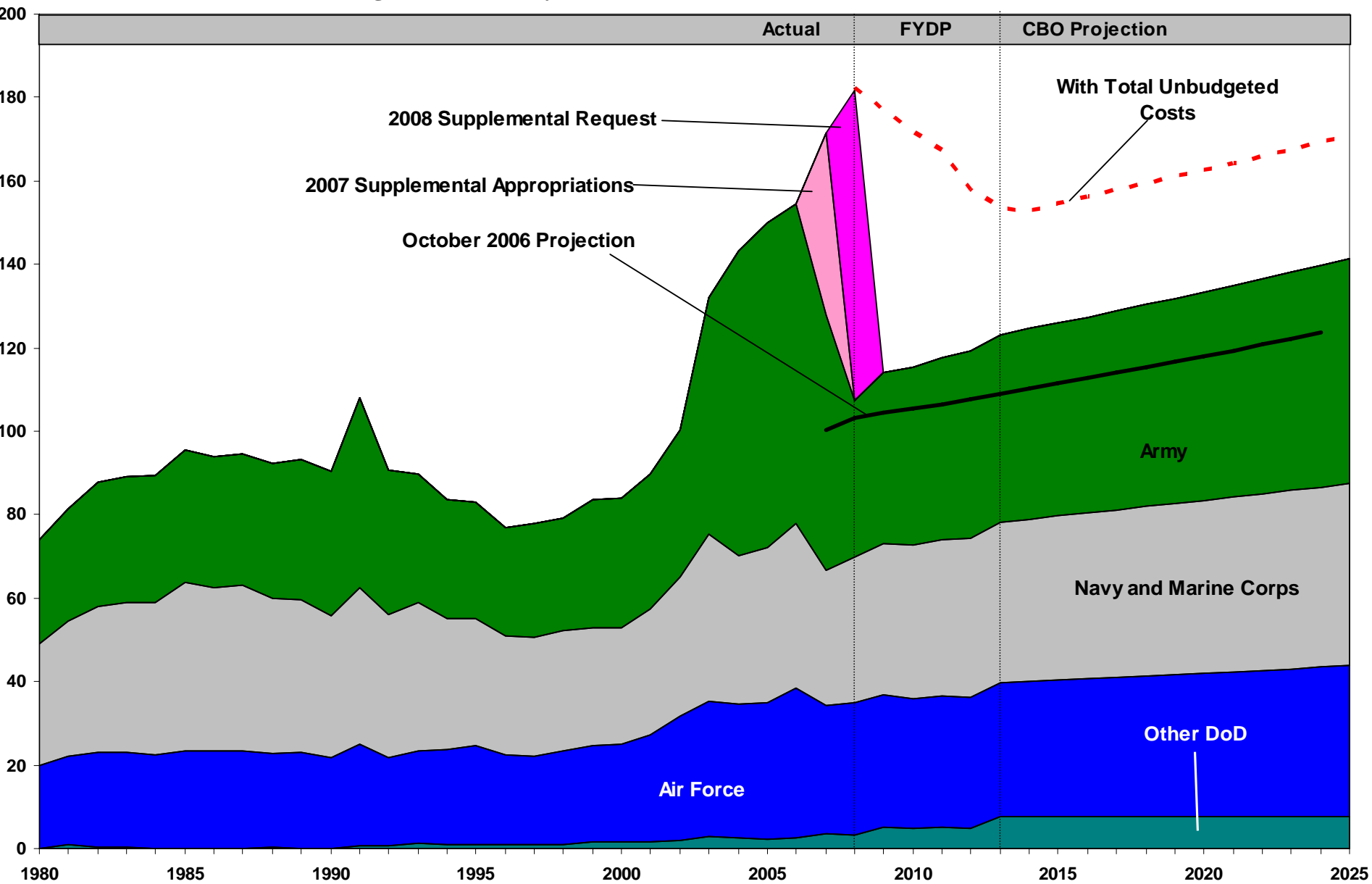


Figure 2-4a

Trends in Operation and Maintenance Funding per Active Duty Service Member

(Thousands of 2008 Dollars of Total Obligational Authority)

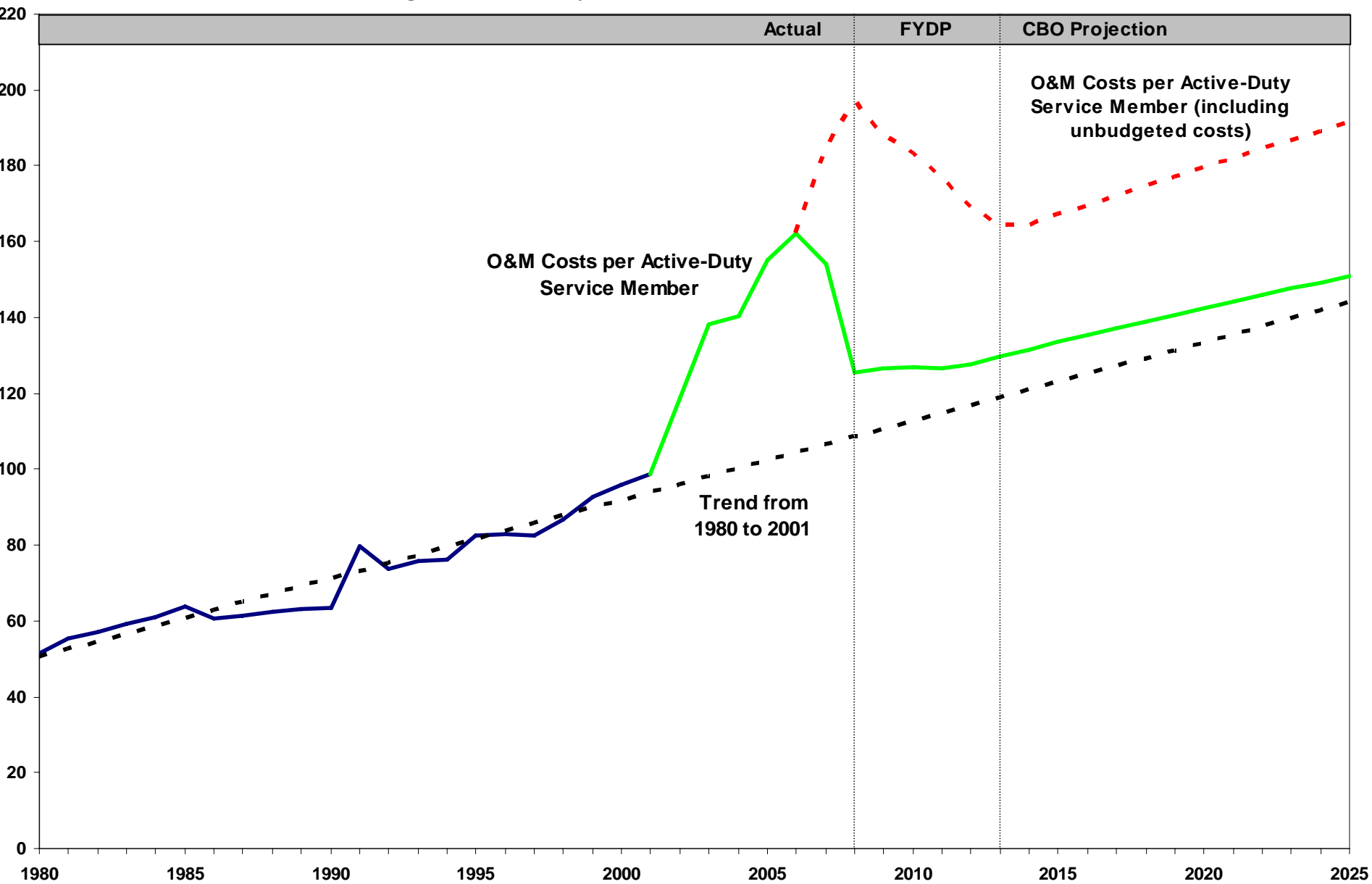
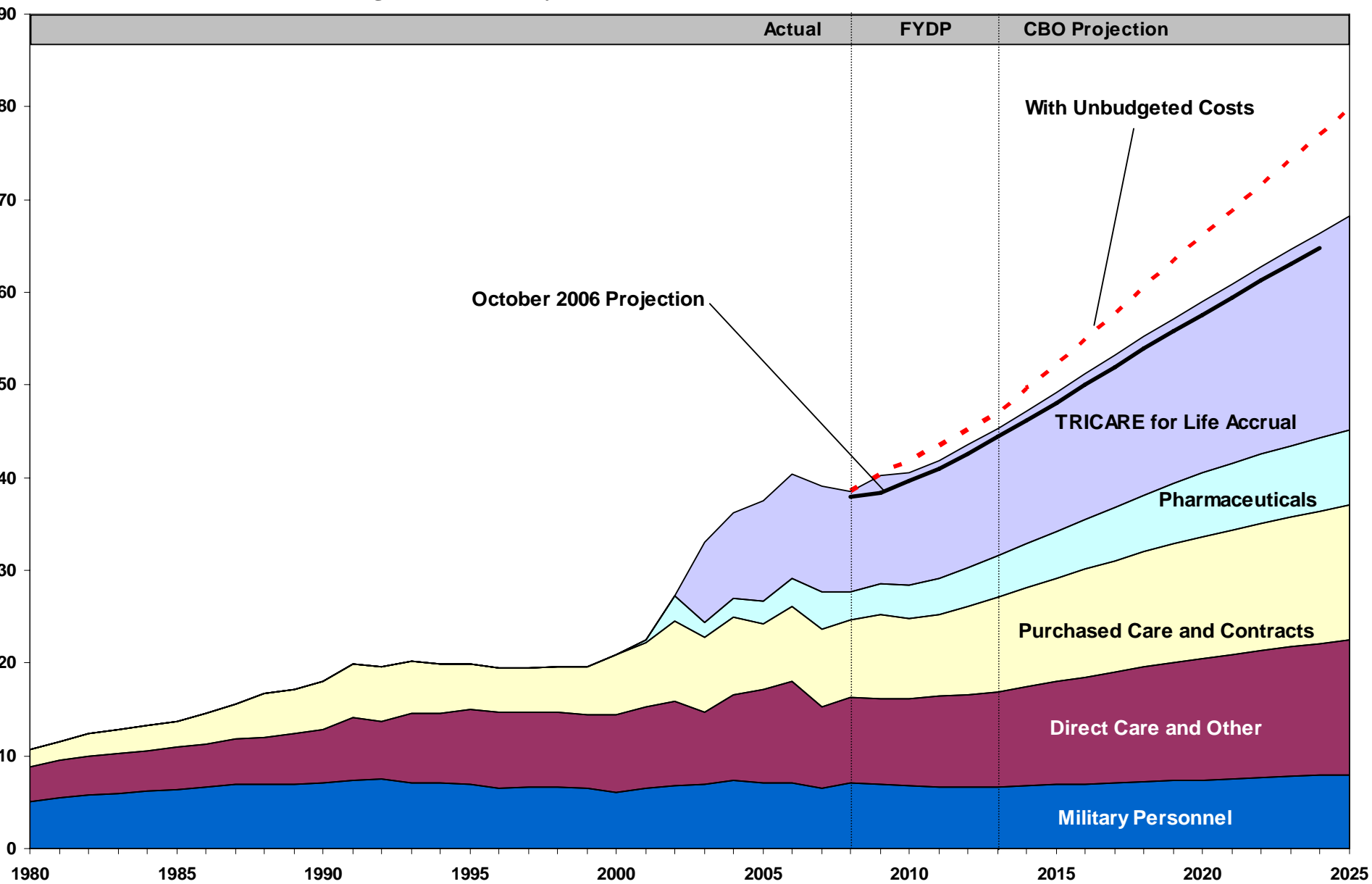


Figure 2-5 Updated

Funding for the Military Medical System, by Category

(Billions of 2008 Dollars of Total Obligational Authority)



### Funding for Investment, by Budget Account and Weapon Type

The chart displays U.S. defense spending from 1980 to 2025, categorized into three main periods: Actual (1980-2008), FYDP (2009-2013), and CBO Projection (2014-2025). The y-axis represents spending in billions of dollars, ranging from 0 to 300. The x-axis shows years from 1980 to 2025. The chart includes several data series: Research, Development, Test, And Evaluation (dark blue), Other Procurement (yellow), C4ISR (grey), Ships (orange), Aircraft (purple), Missiles and Munitions (dark red), Ground Combat (dark green), and Missile Defense (pink). A significant peak in spending is shown in 2008, labeled '2008 Supplemental Request'. A dashed red line represents 'With Total Unbudgeted Costs', and a solid black line represents 'With Contingency Unbudgeted Costs'. The chart also includes labels for 'October 2006 Projection' and '2007 Supplemental Appropriations'.

Figure 3-2 Updated

Funding for Investment, by Military Department

(Billions of 2008 Dollars of Total Obligational Authority)

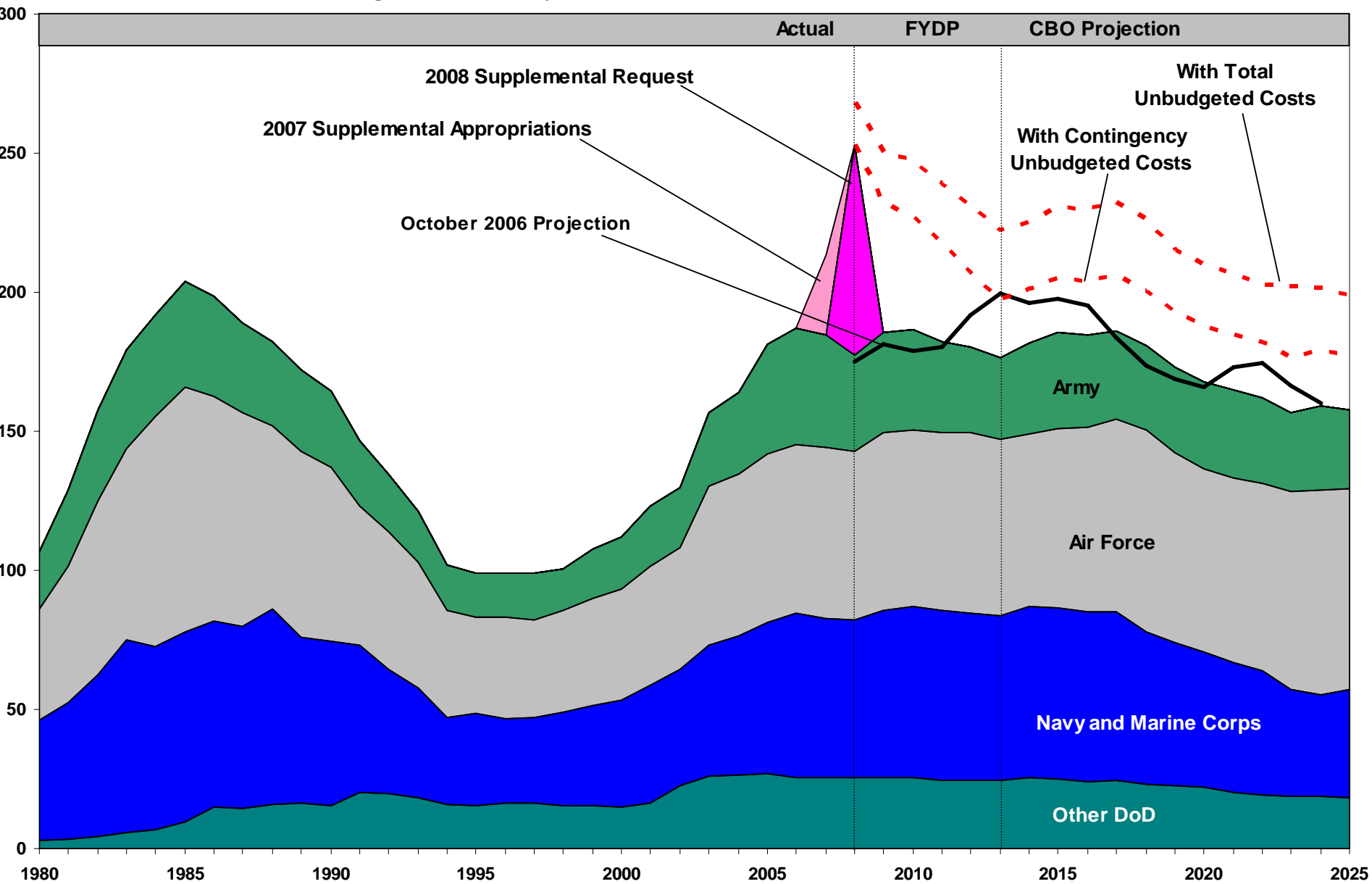


Figure 3-3 Updated

Past and Projected Army Funding for Investment

(Billions of 2008 Dollars of Total Obligational Authority)

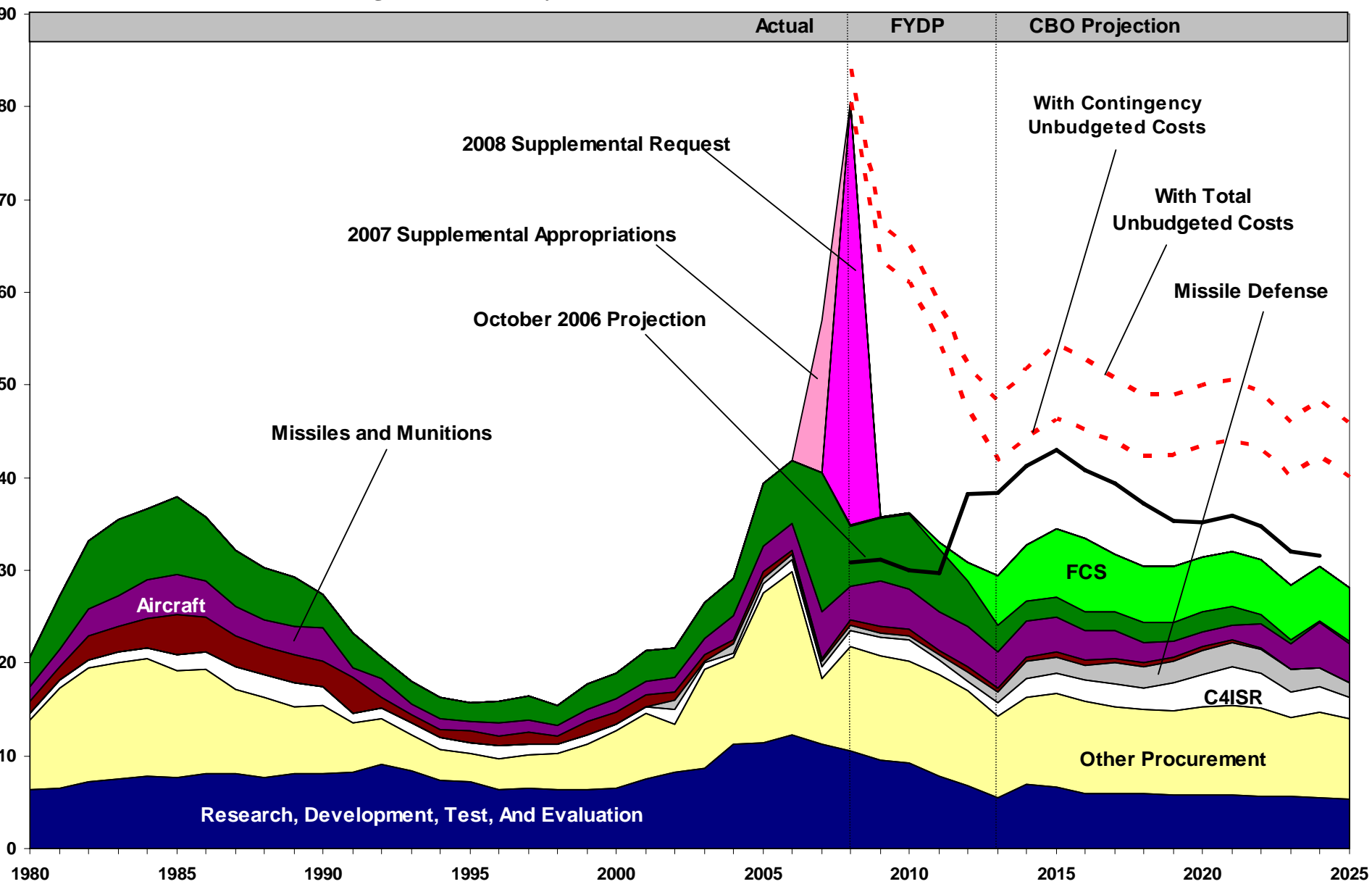


Figure 3-4 Updated

Procurement of Army Ground Combat Vehicles

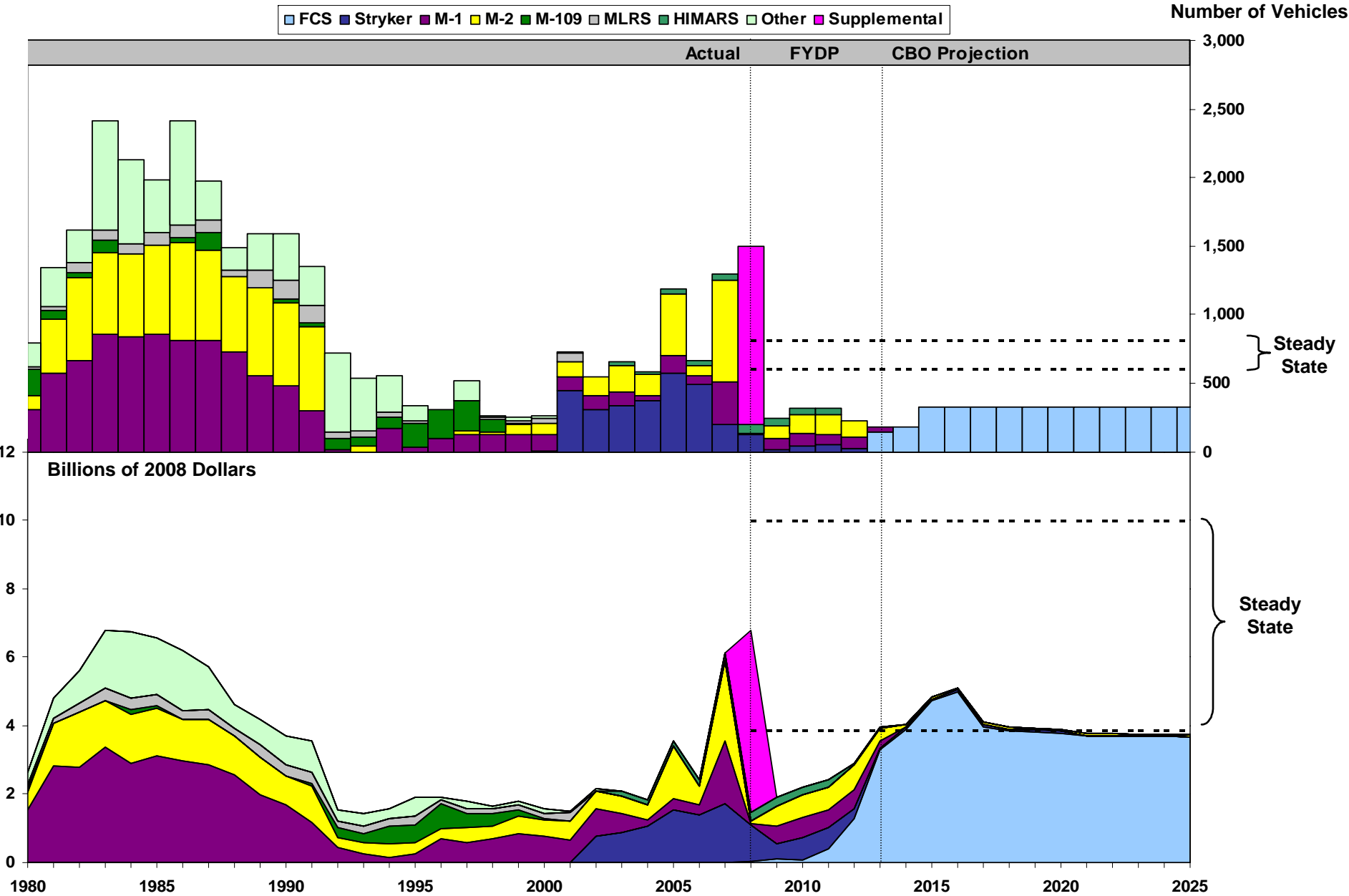


Figure 3-5 Updated

Age and Inventory of Army Ground Combat Vehicles

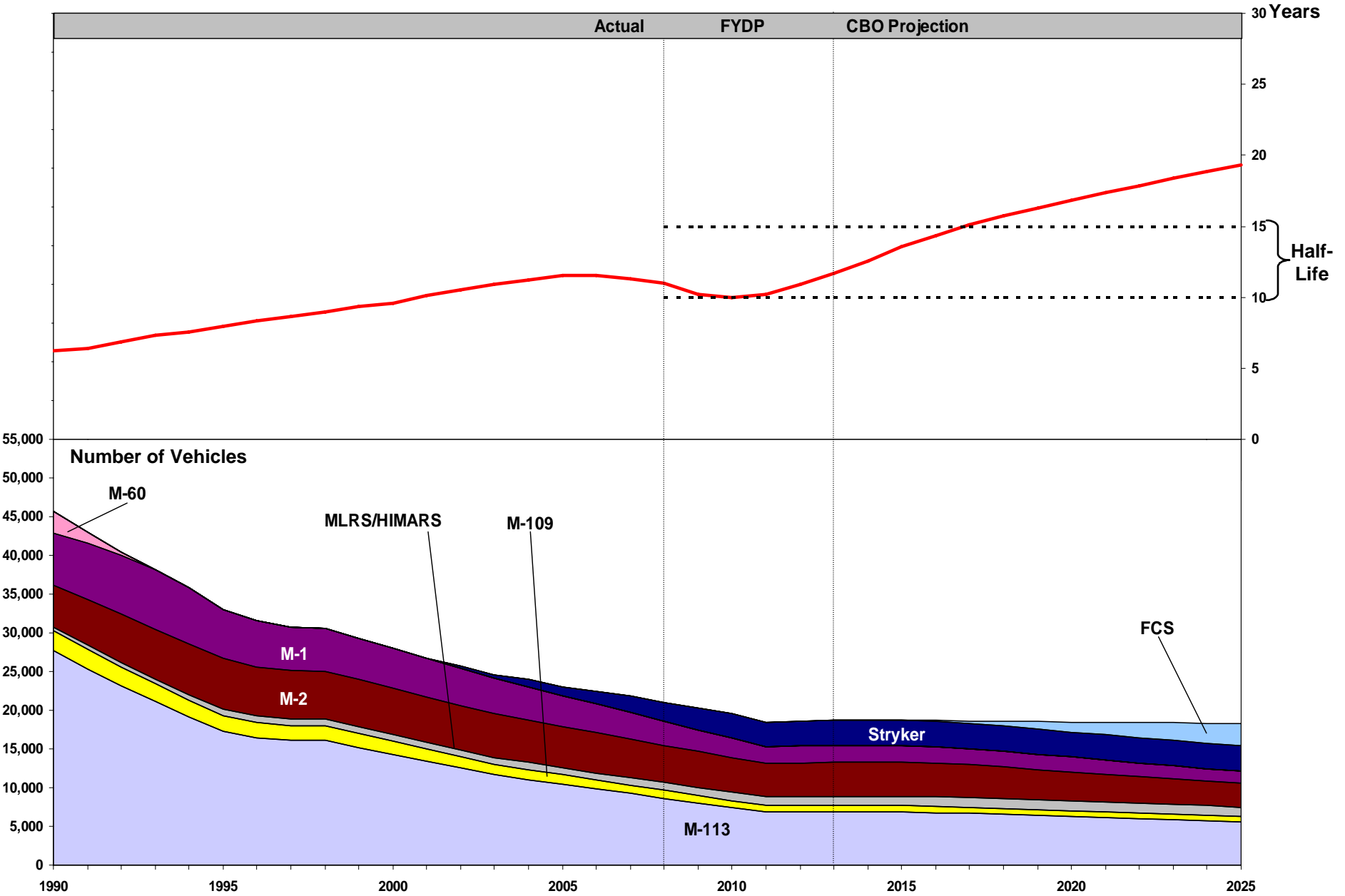




Figure 3-6 Updated

Procurement of Army Helicopters

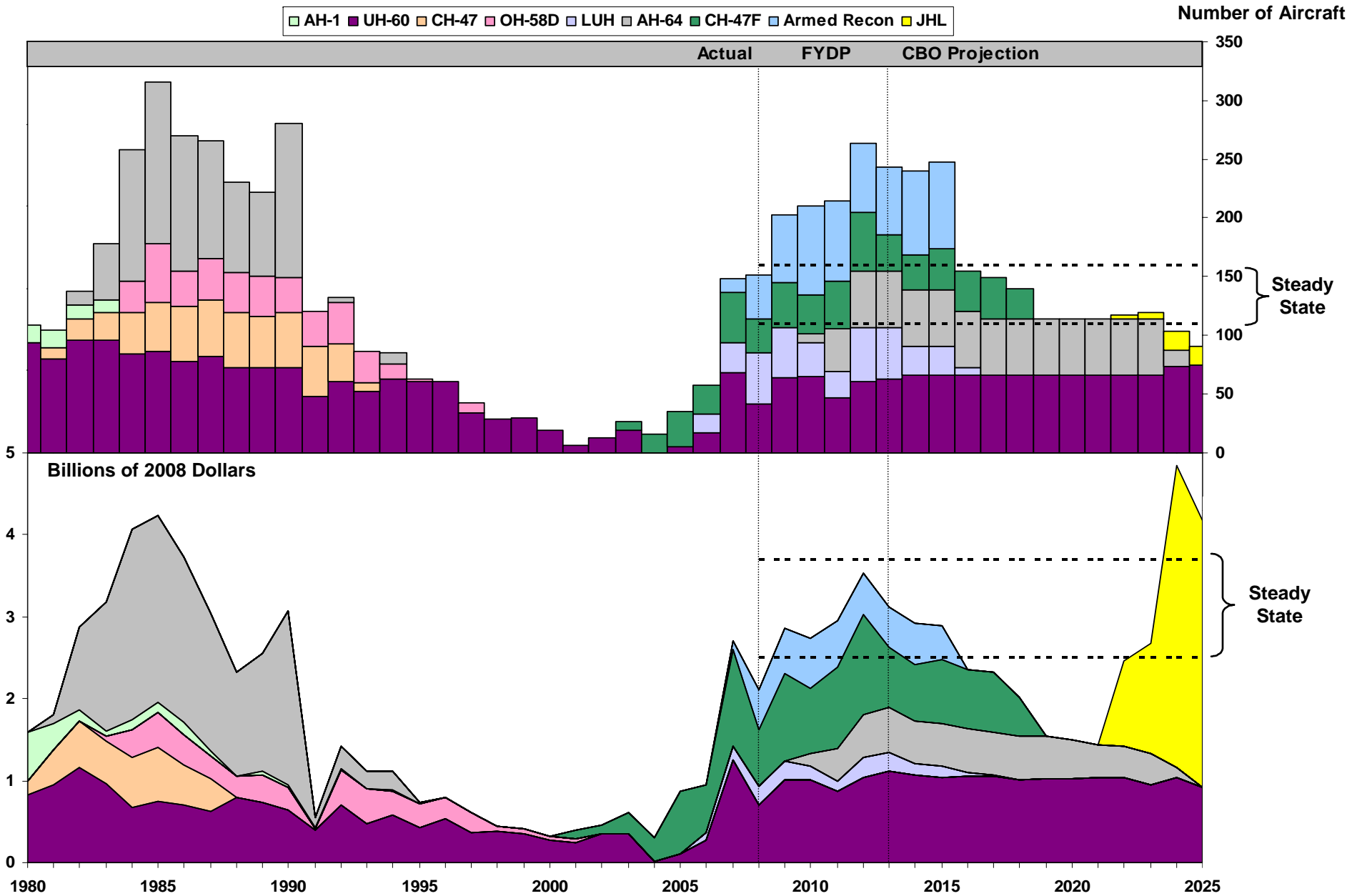
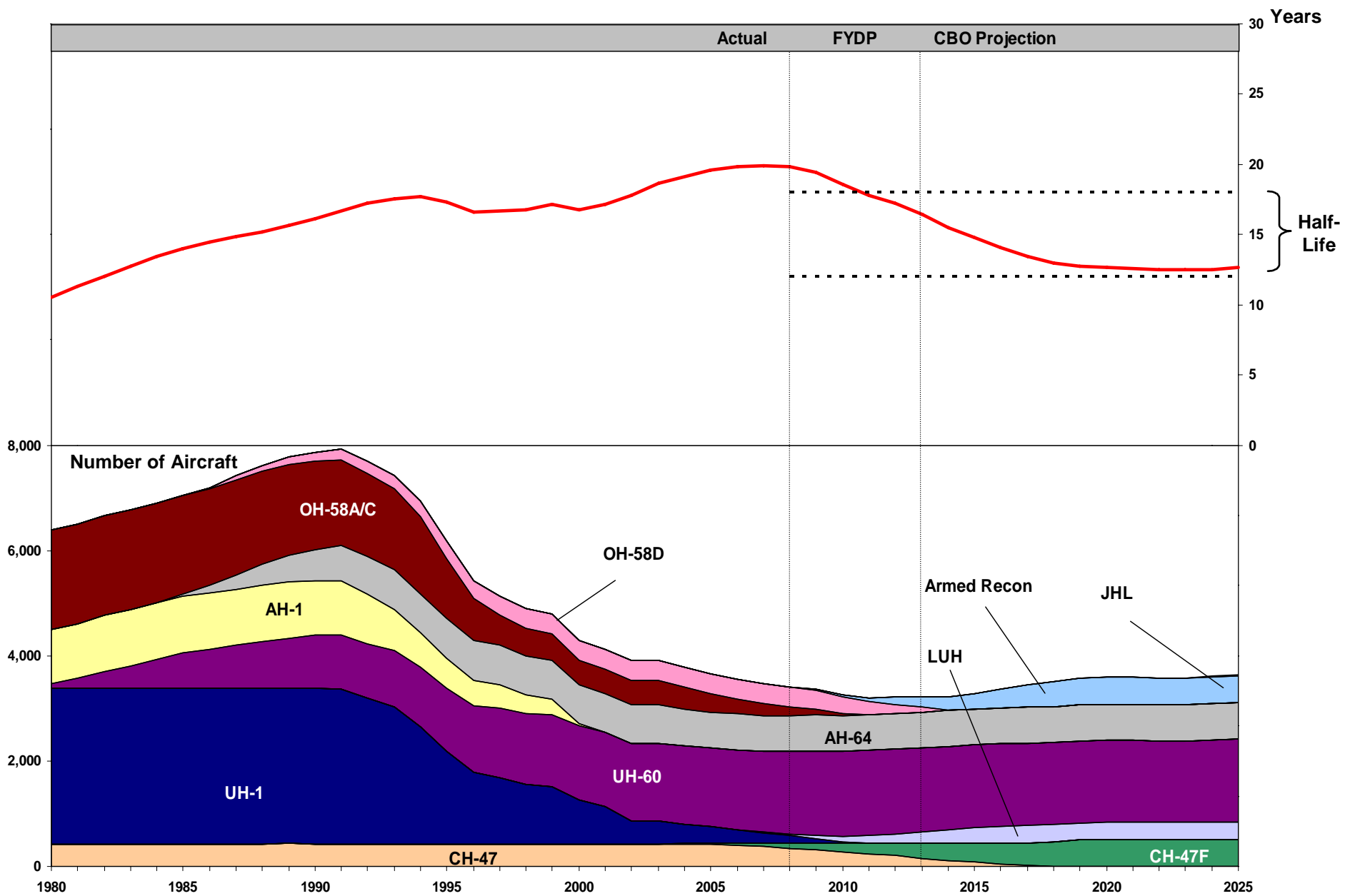


Figure 3-7 Updated

Age and Inventory of Army Helicopters



**Figure 3-9 Updated**

**Past and Projected Navy and Marine Corps Funding for Investment**

(Billions of 2008 Dollars of Total Obligational Authority)

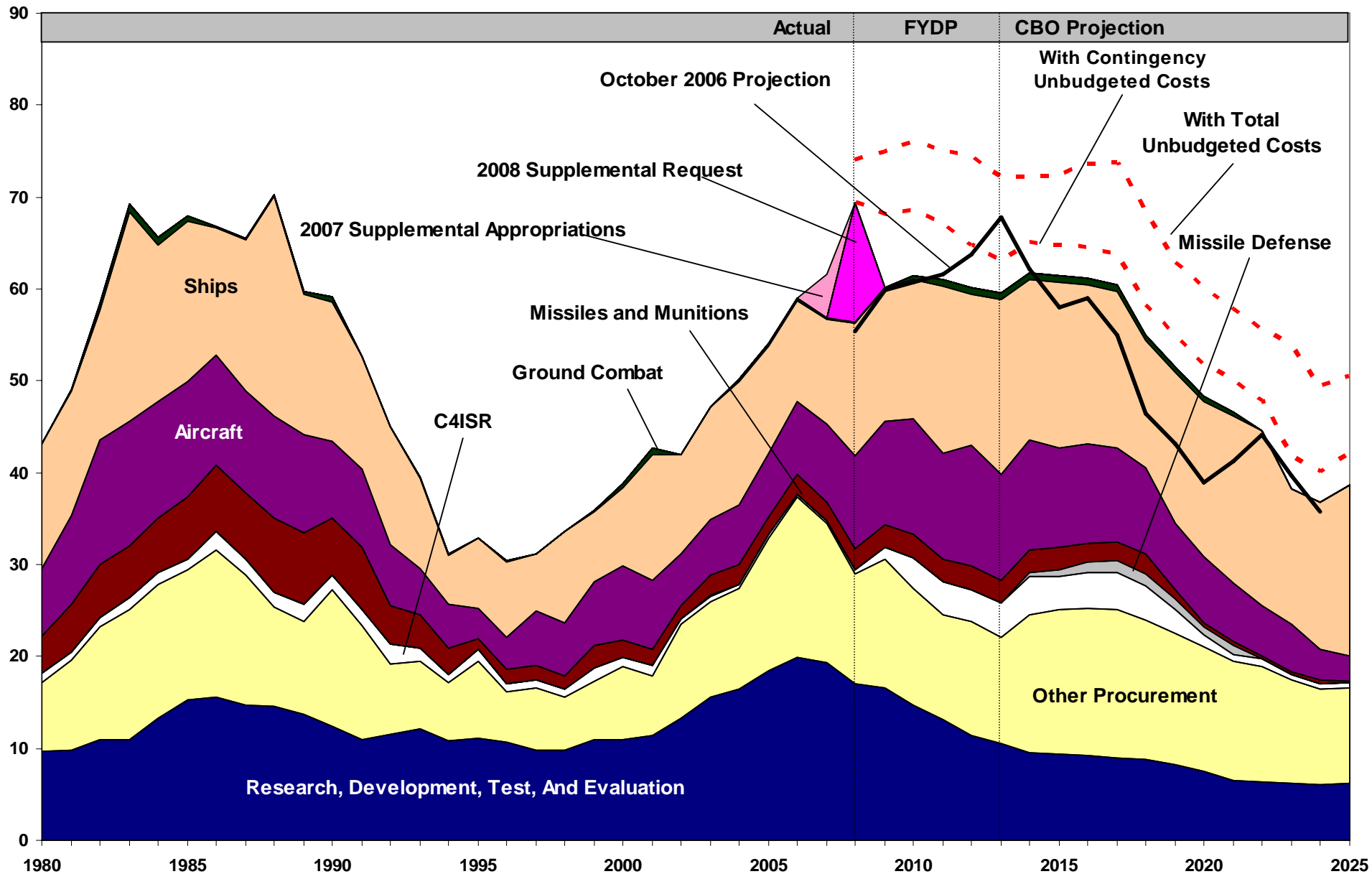


Figure 3-10 Updated

Procurement of Battle Force Ships

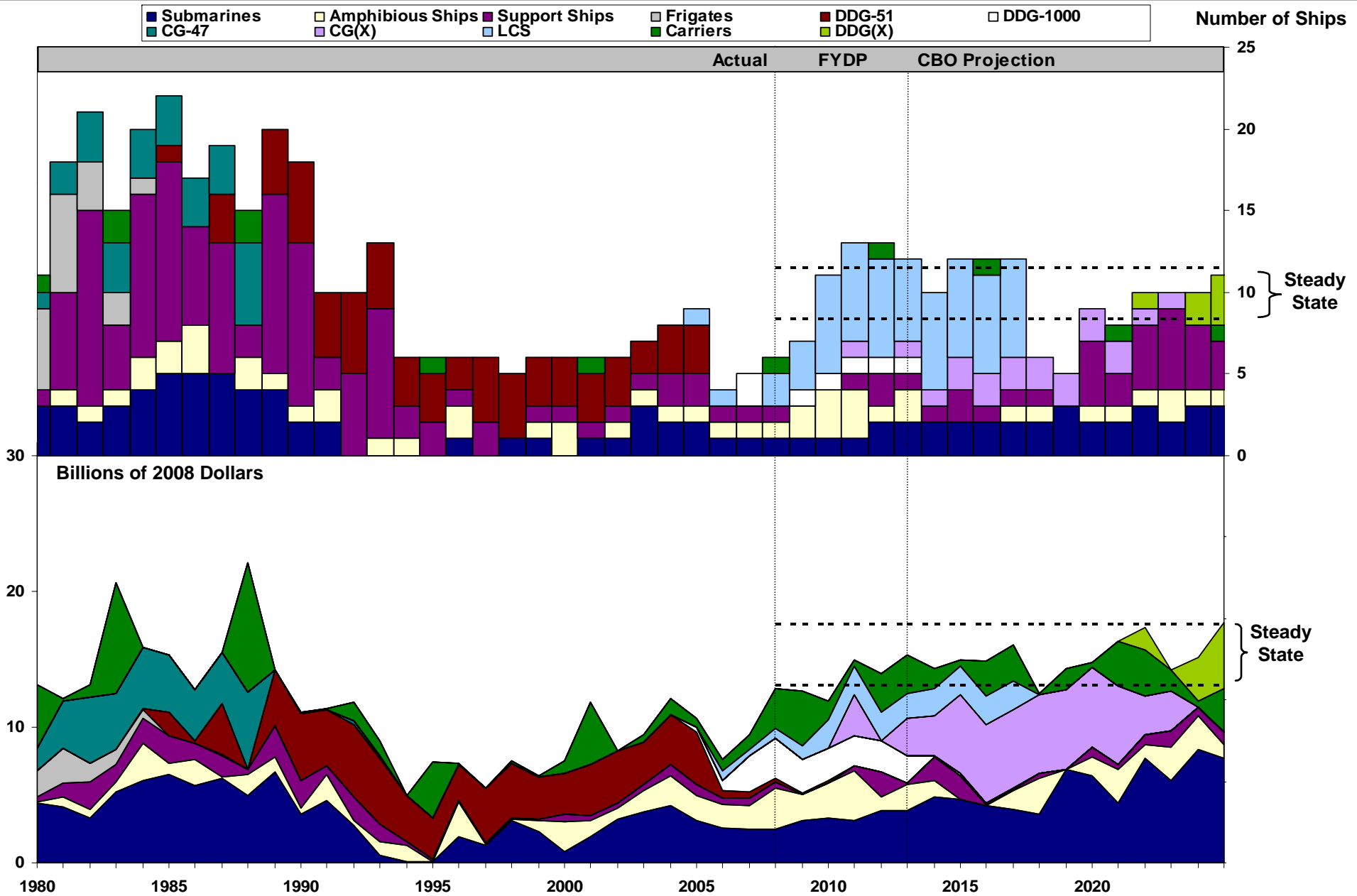


Figure 3-11 Updated

Age and Inventory of Battle Force Ships

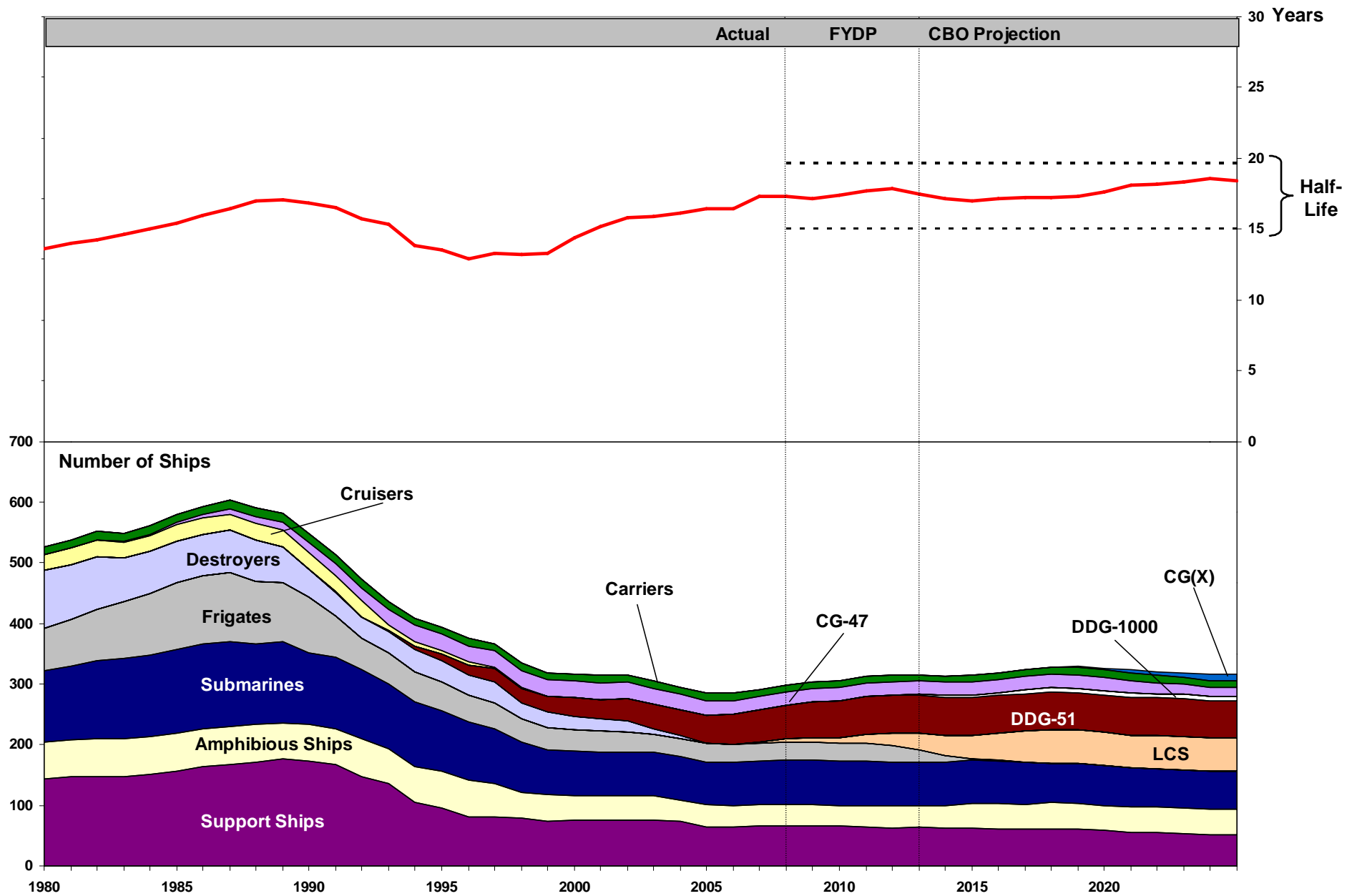


Figure 3-12 Updated

Procurement of Navy Fighter and Attack Aircraft

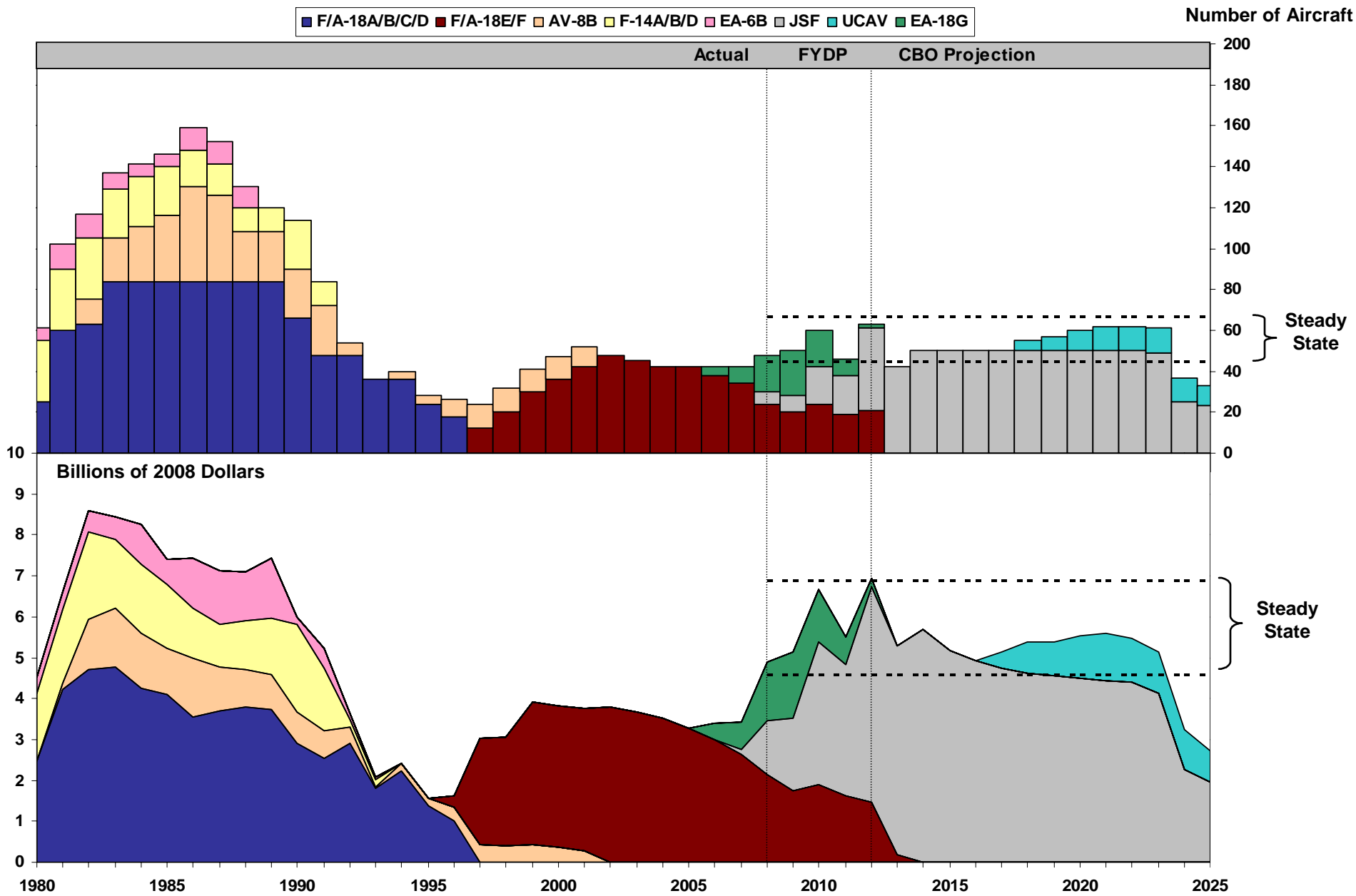


Figure 3-13 Updated

Age and Inventory of Navy Fighter and Attack Aircraft

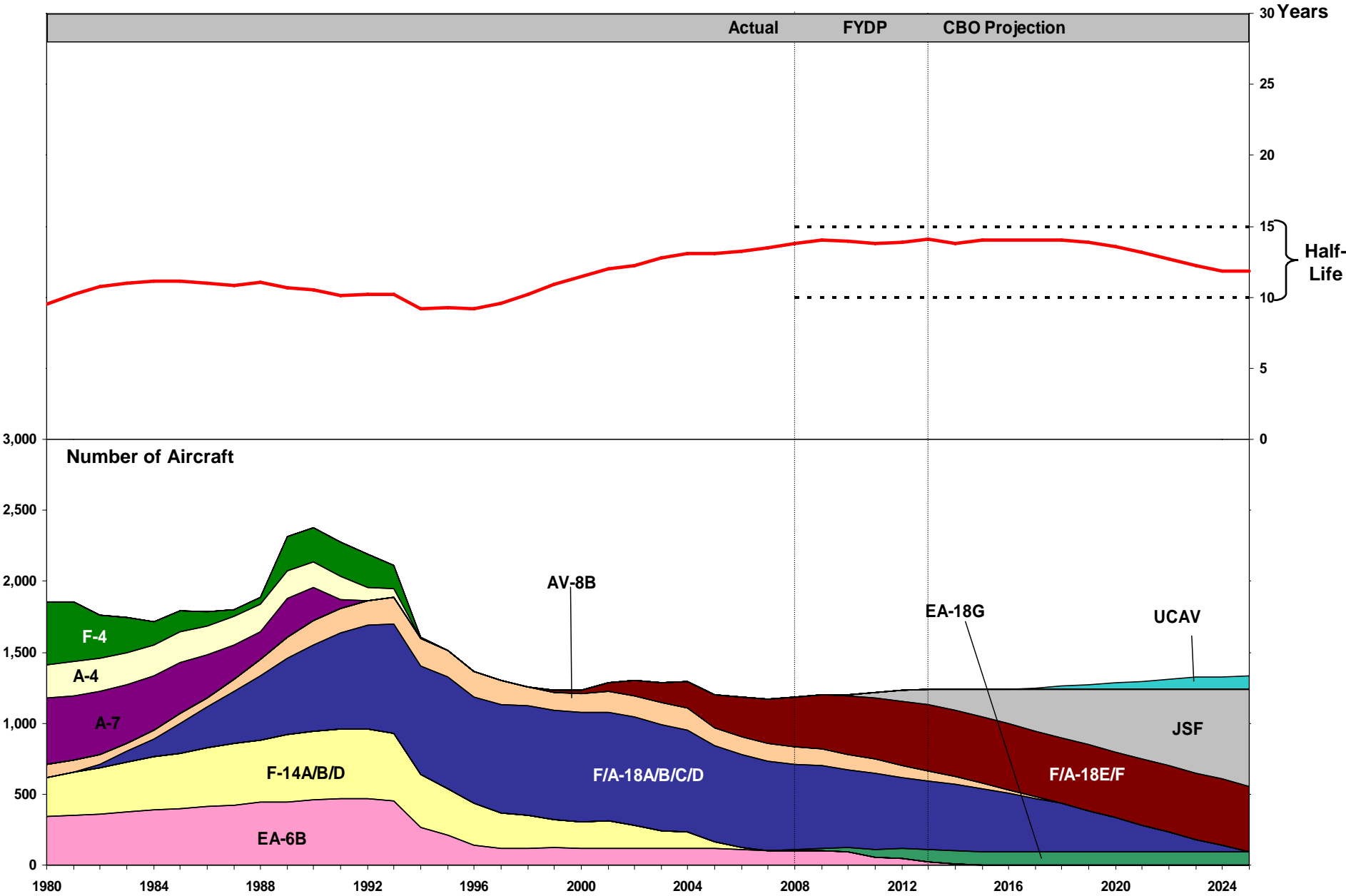


Figure 3-14 Updated

Procurement of Marine Corps Helicopters

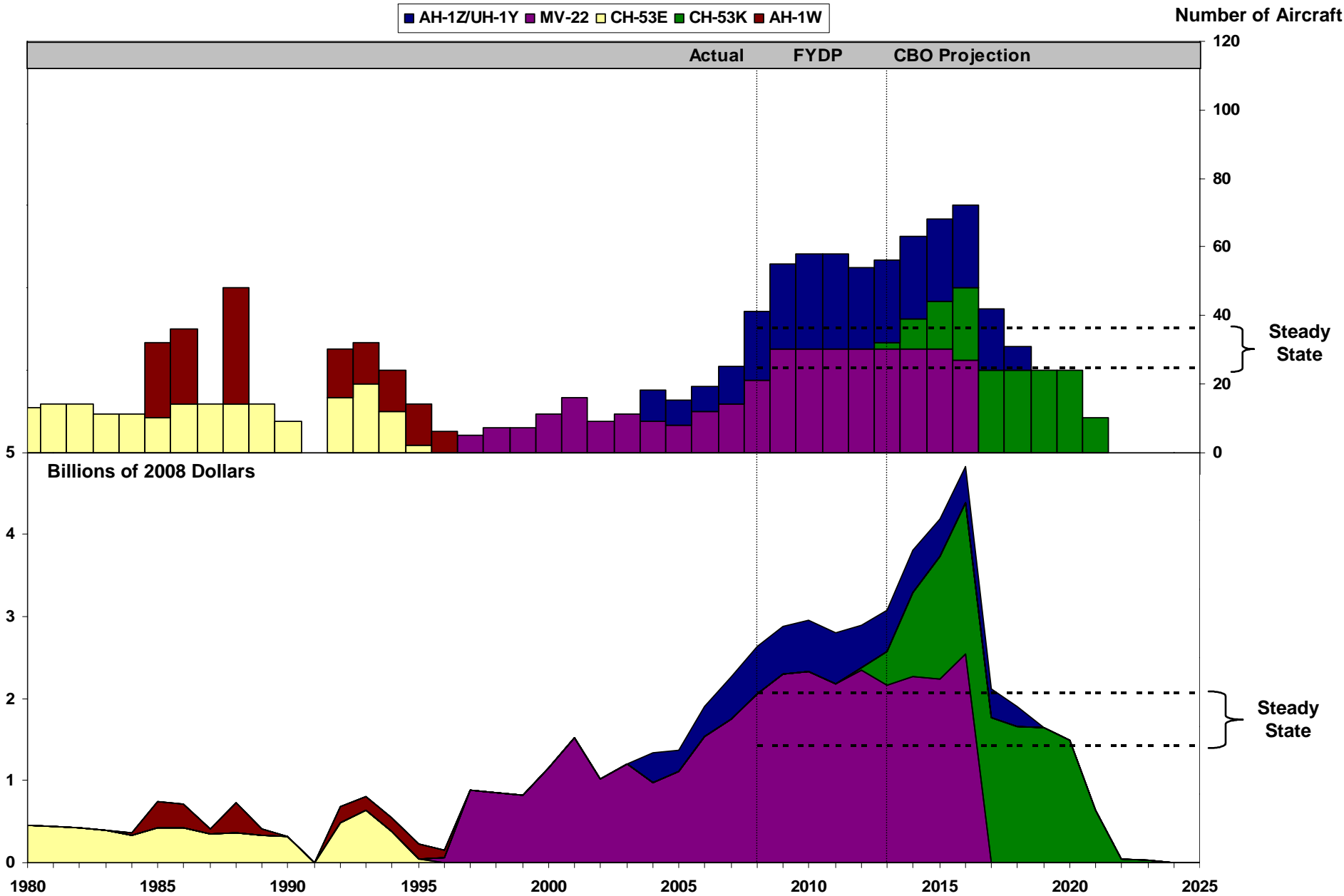




Figure 3-15 Updated

Age and Inventory of Marine Corps Helicopters

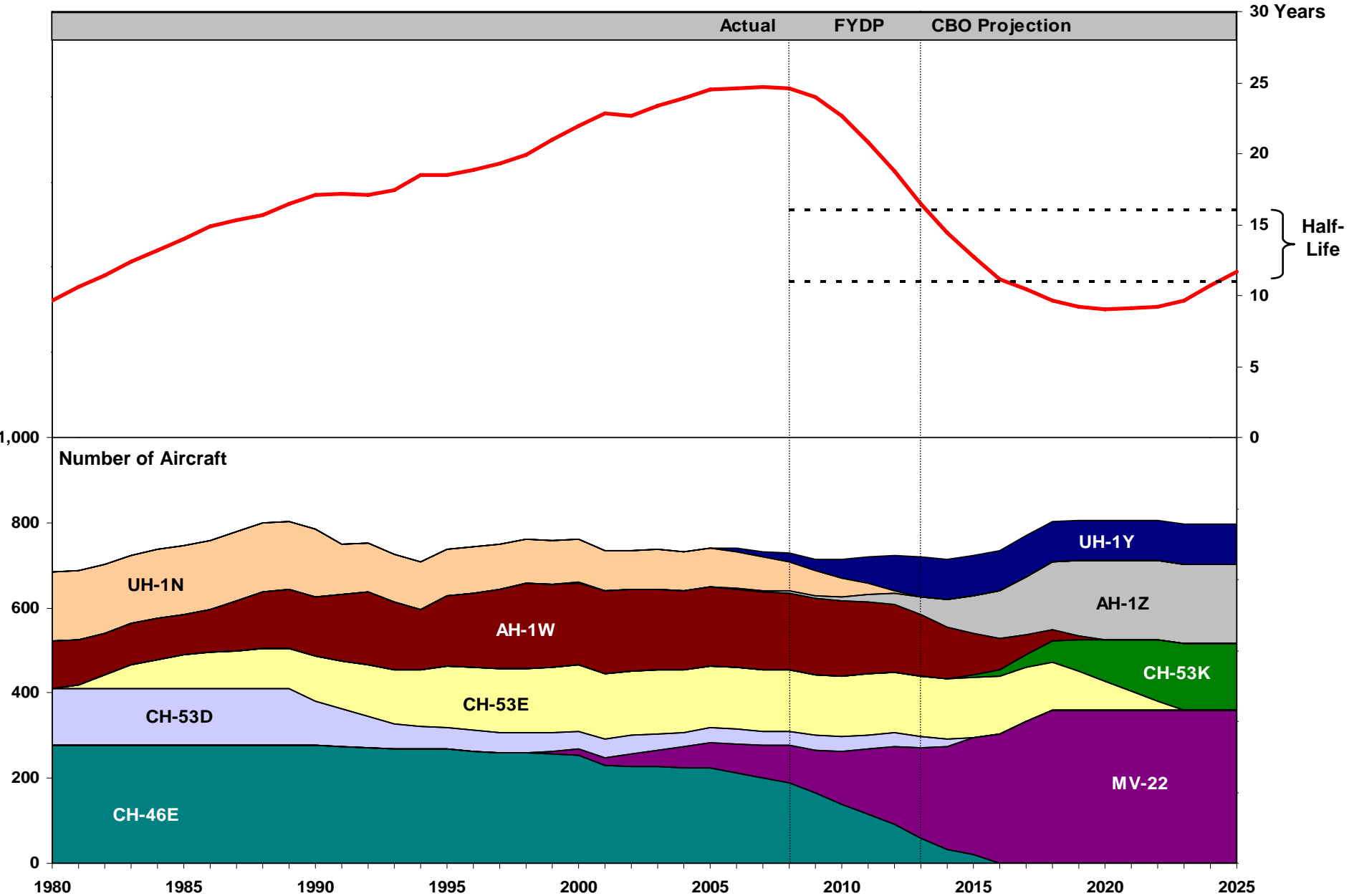


Figure 3-16 Updated

Procurement of Marine Corps Ground Combat Vehicles

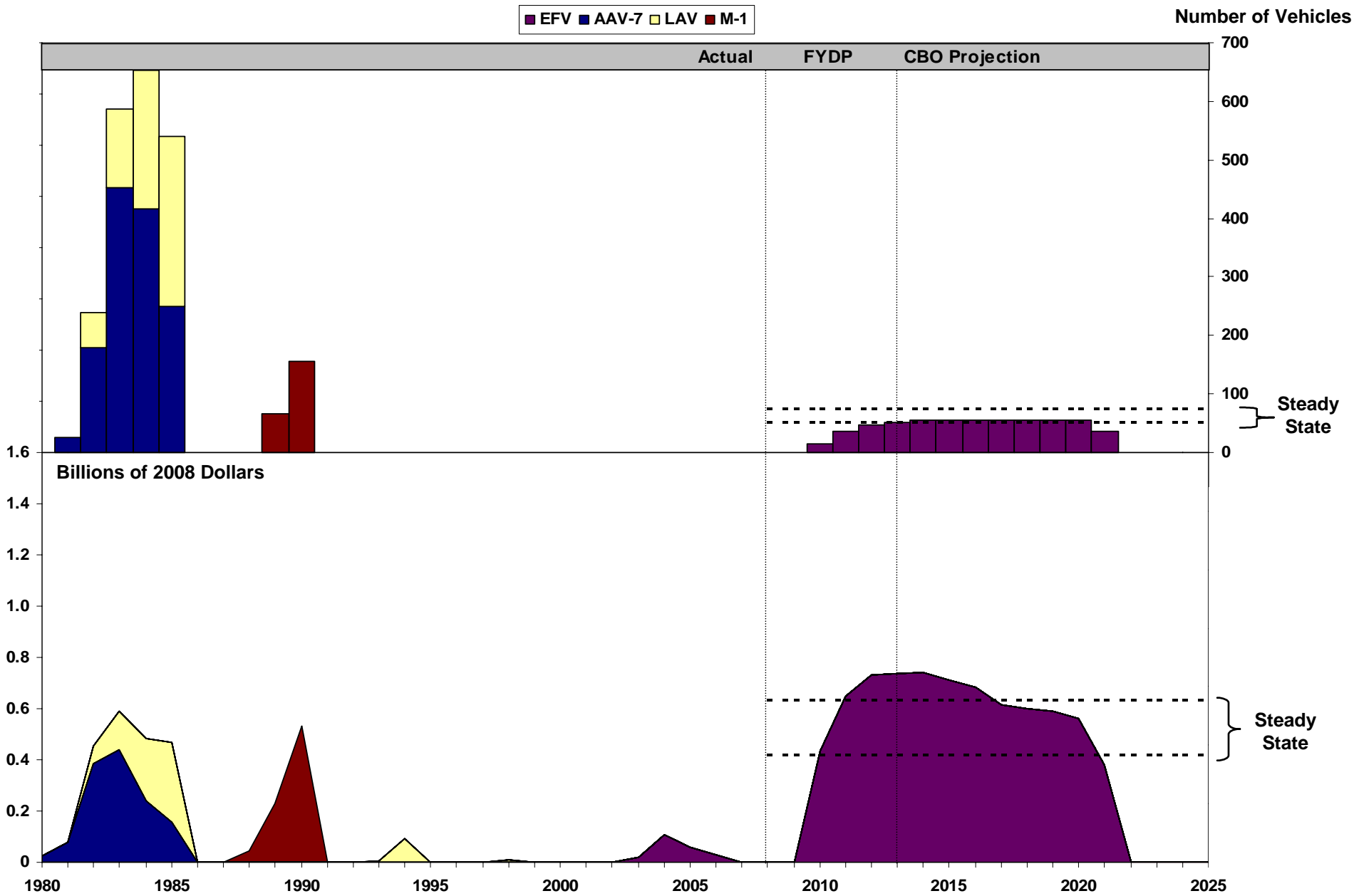


Figure 3-17 Updated

Age and Inventory of Marine Corps Ground Combat Vehicles

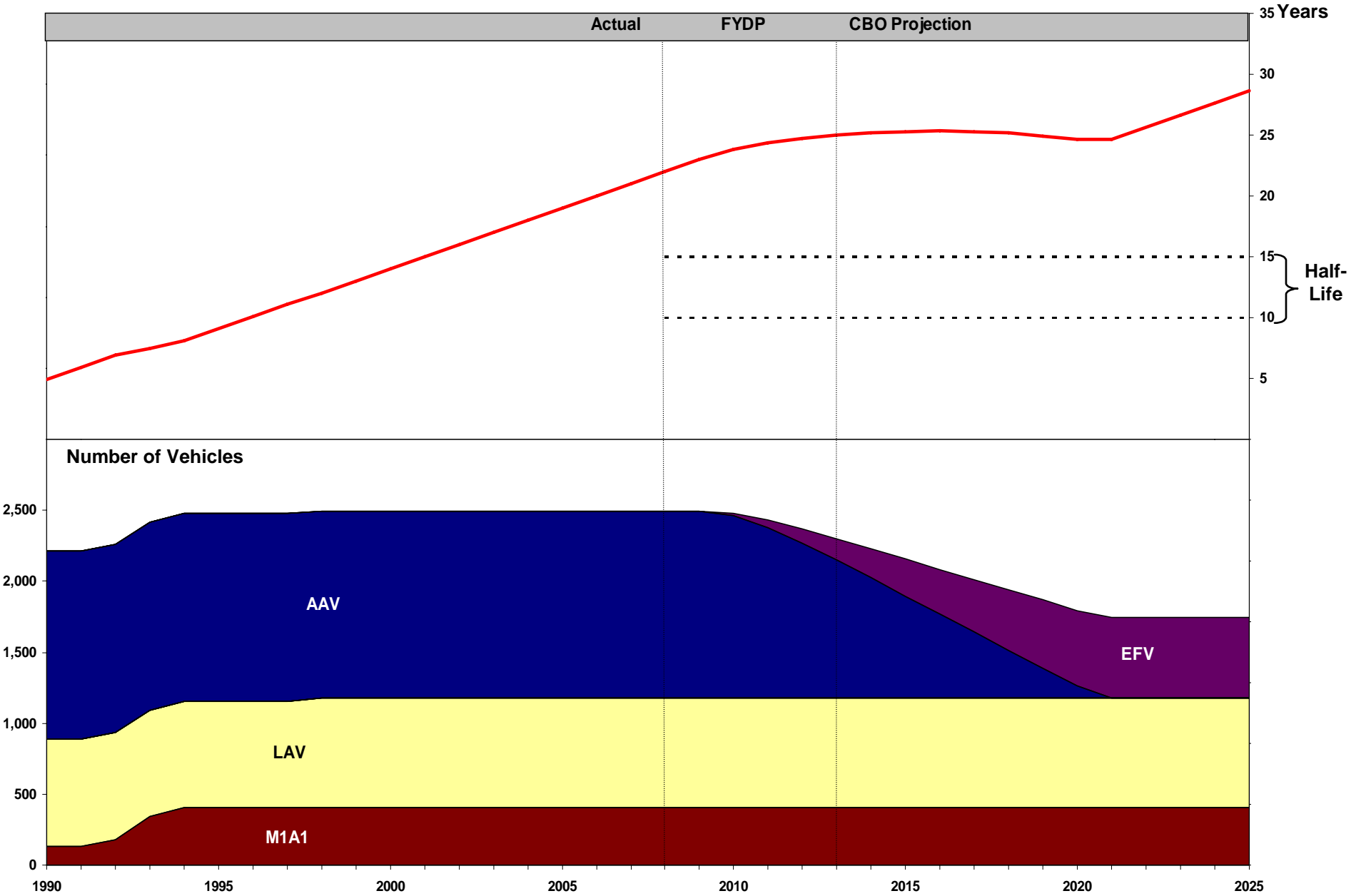


Figure 3-19 Updated

Past and Projected Air Force Funding for Investment

(Billions of 2008 Dollars of Total Obligational Authority)

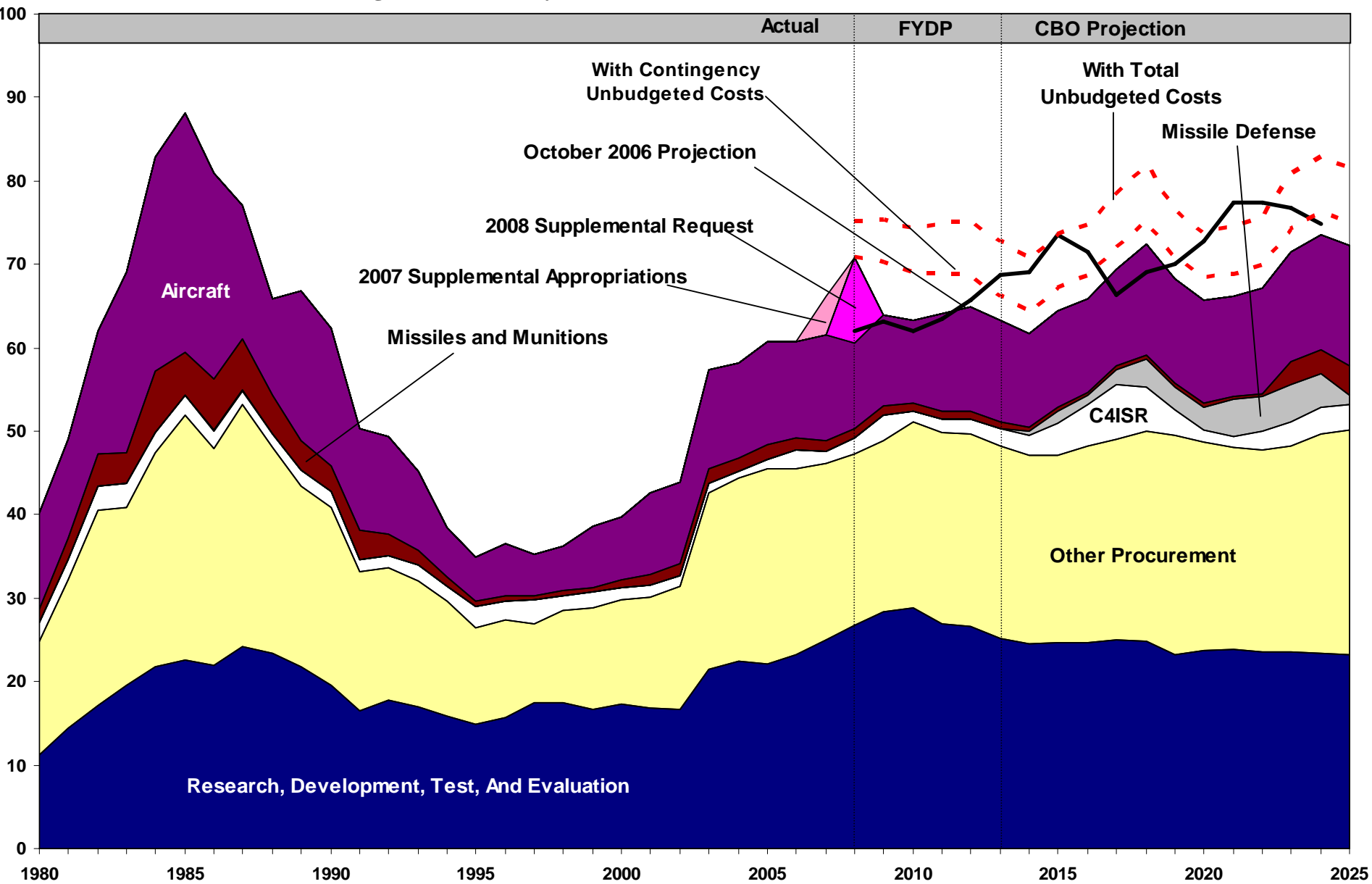


Figure 3-20 Updated

Procurement of Air Force Fighter and Attack Aircraft

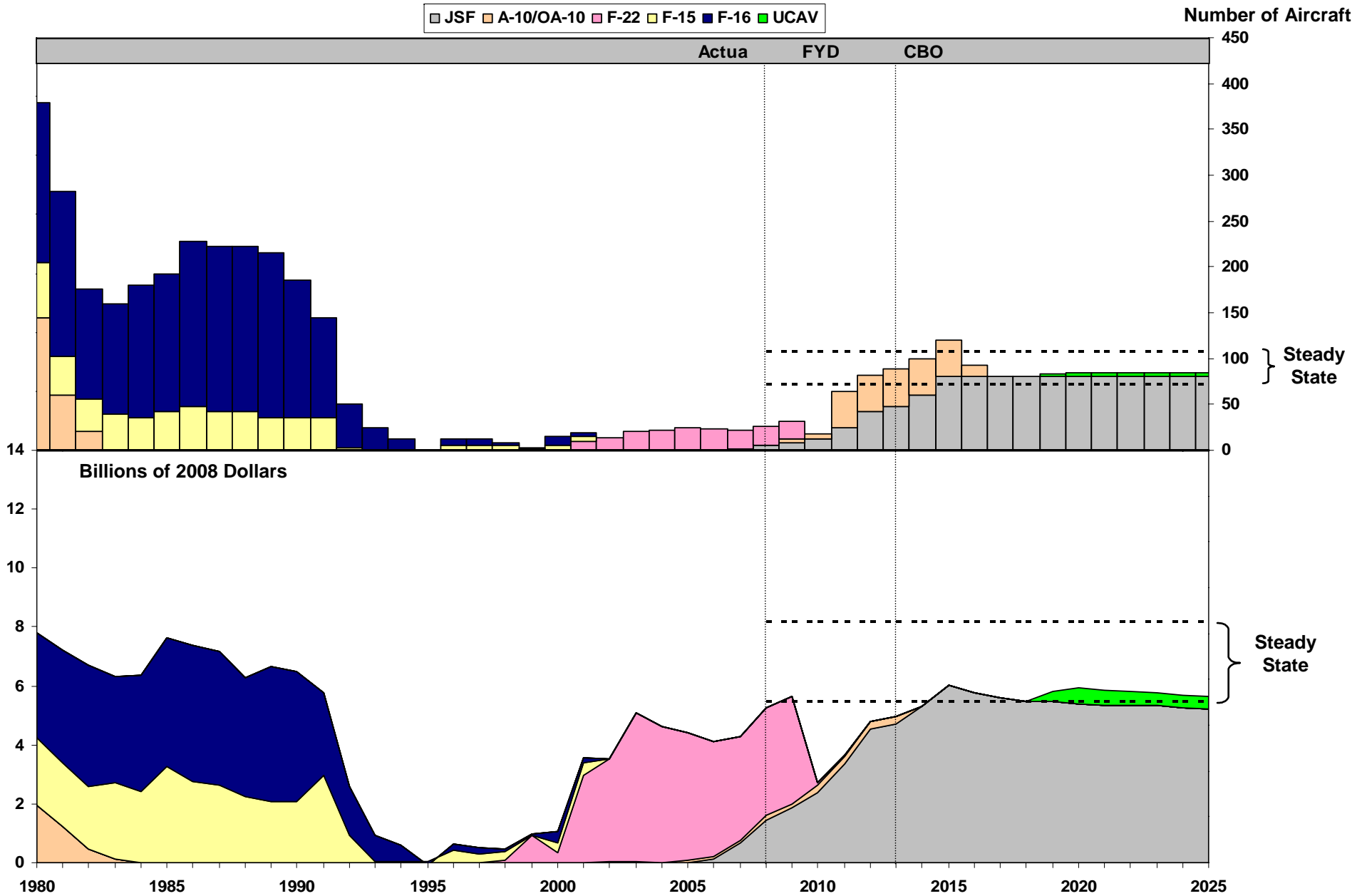


Figure 3-21 Updated

Age and Inventory of Air Force Fighter and Attack Aircraft

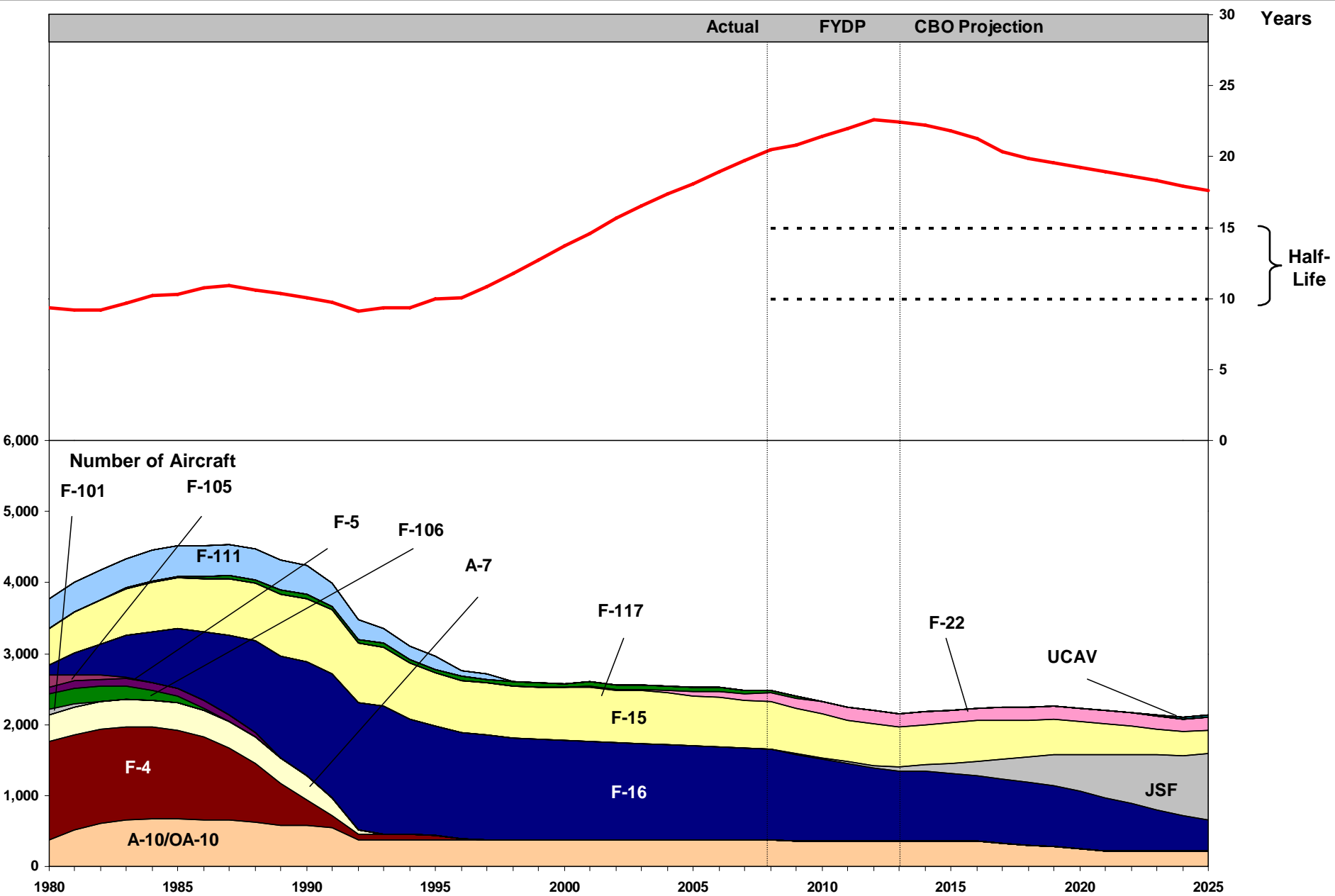


Figure 3-22 Updated

Procurement of Air Force Bombers

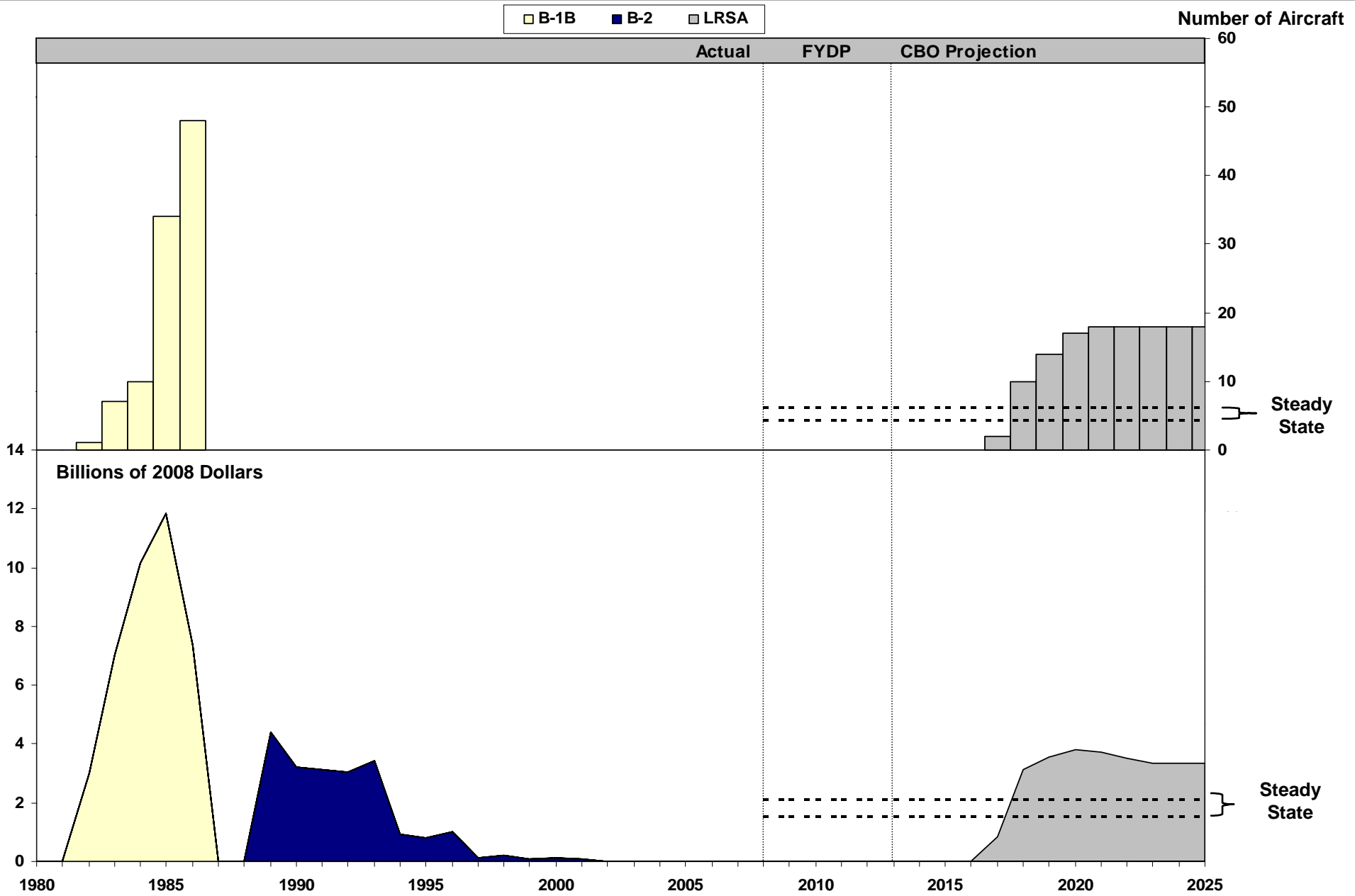
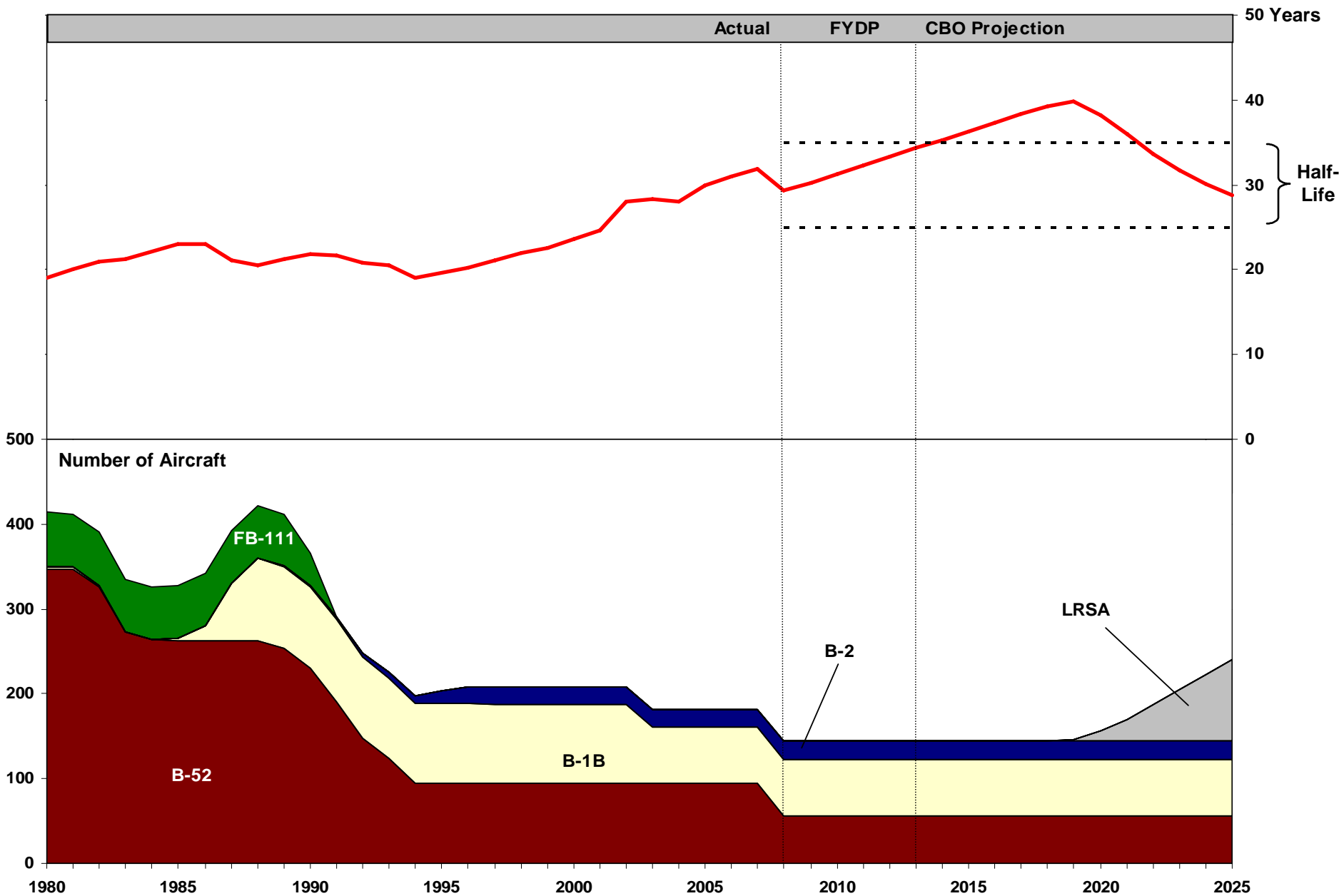


Figure 3-23 Updated

Age and Inventory of Air Force Bombers





## Procurement of Air Force Airlifters and Tankers

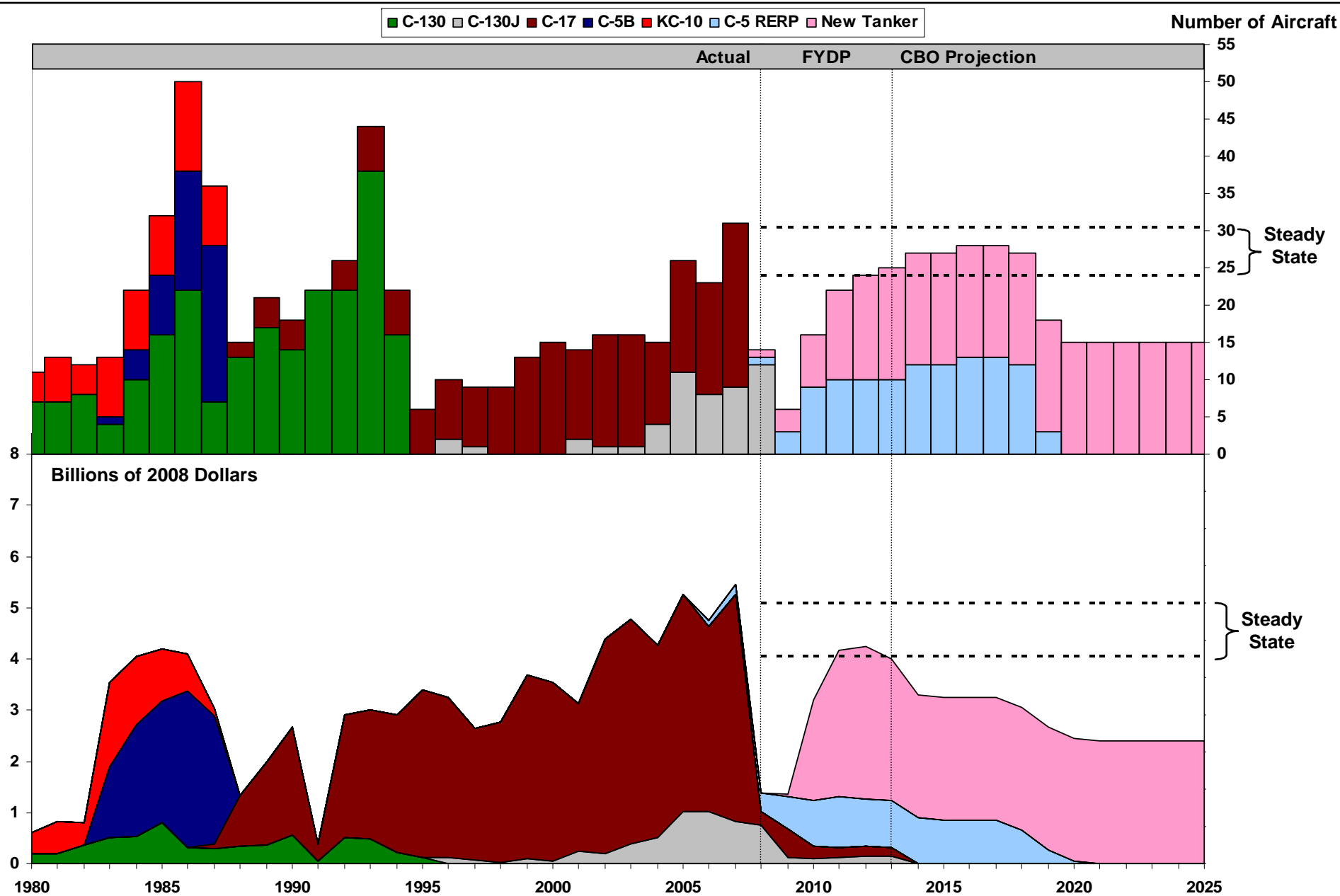


Figure 3-25 Updated

Age and Inventory of Air Force Airlifters

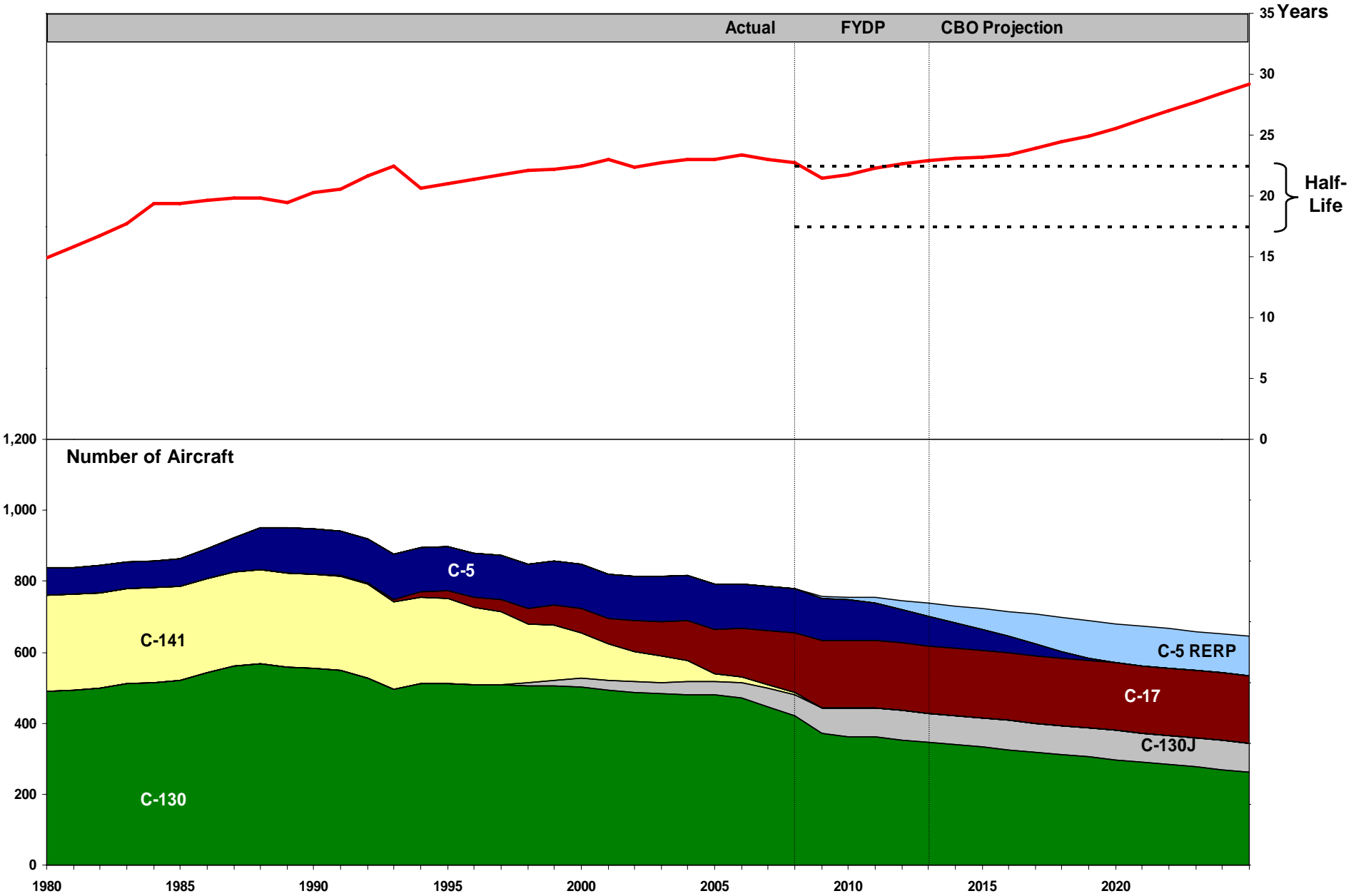


Figure 3-27 Updated

Age and Inventory of Air Force Tankers

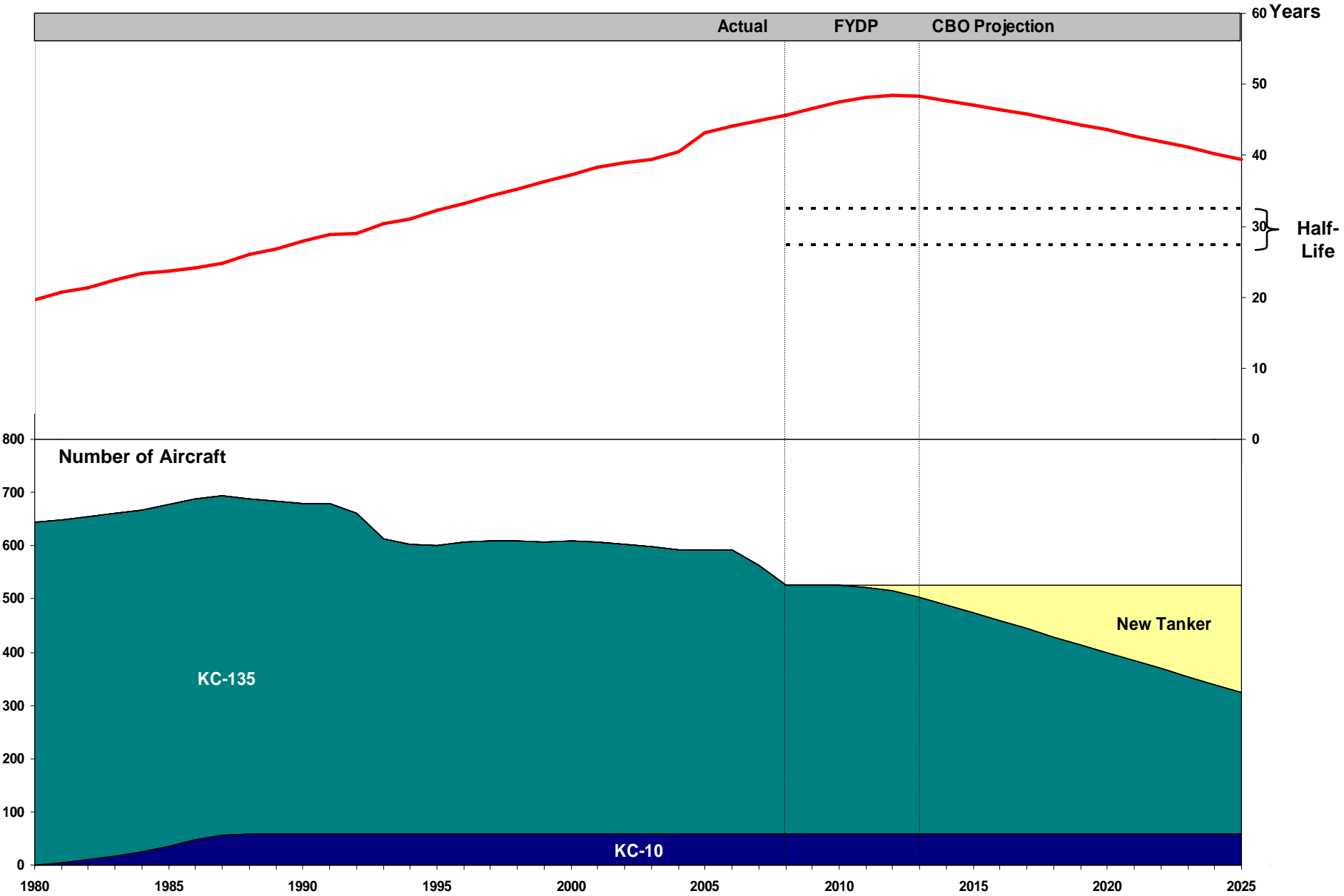


Figure 3-29 Updated

Past and Projected Investment Funding for Defense Agencies

(Billions of 2008 Dollars of Total Obligational Authority)

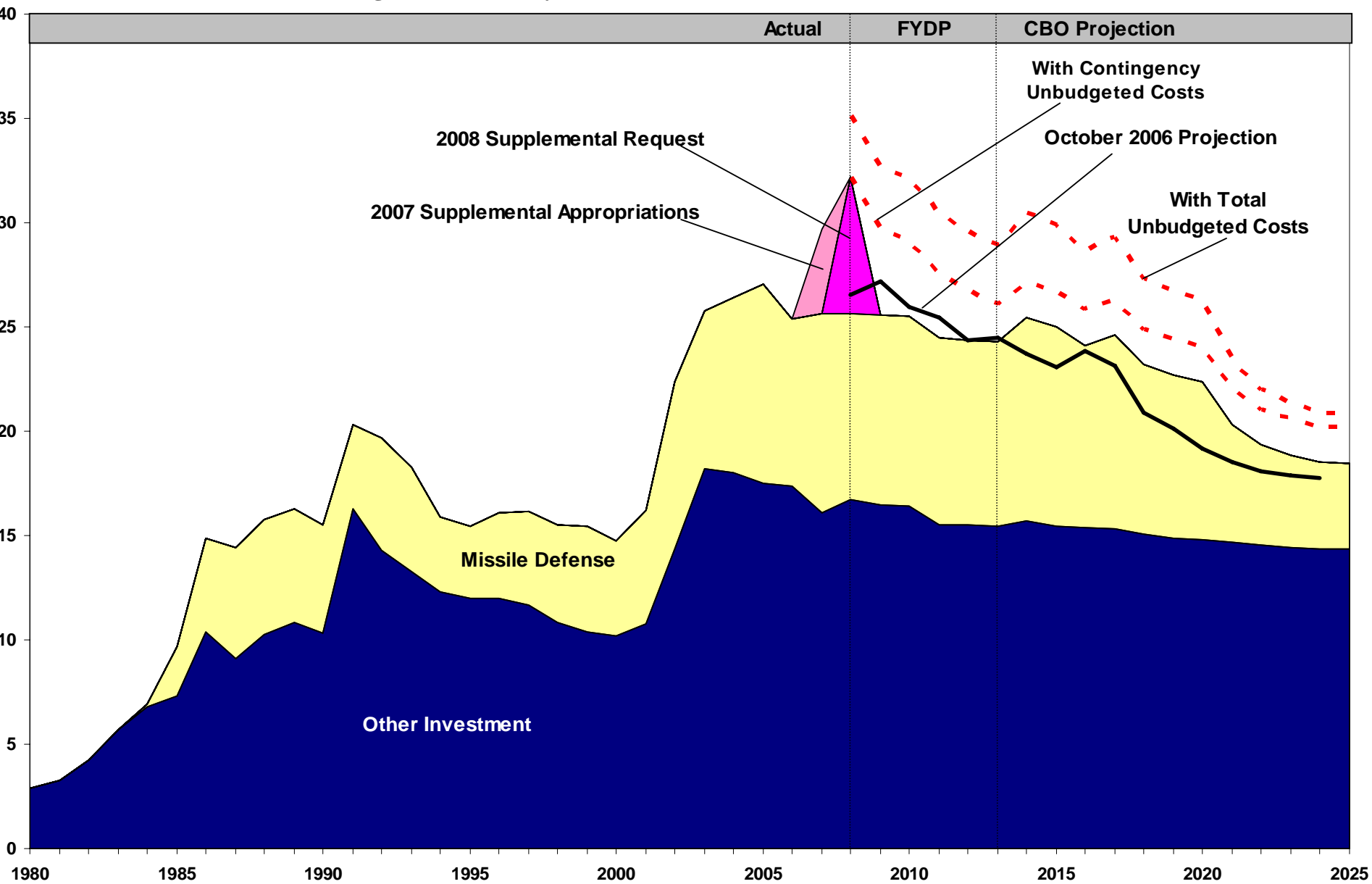
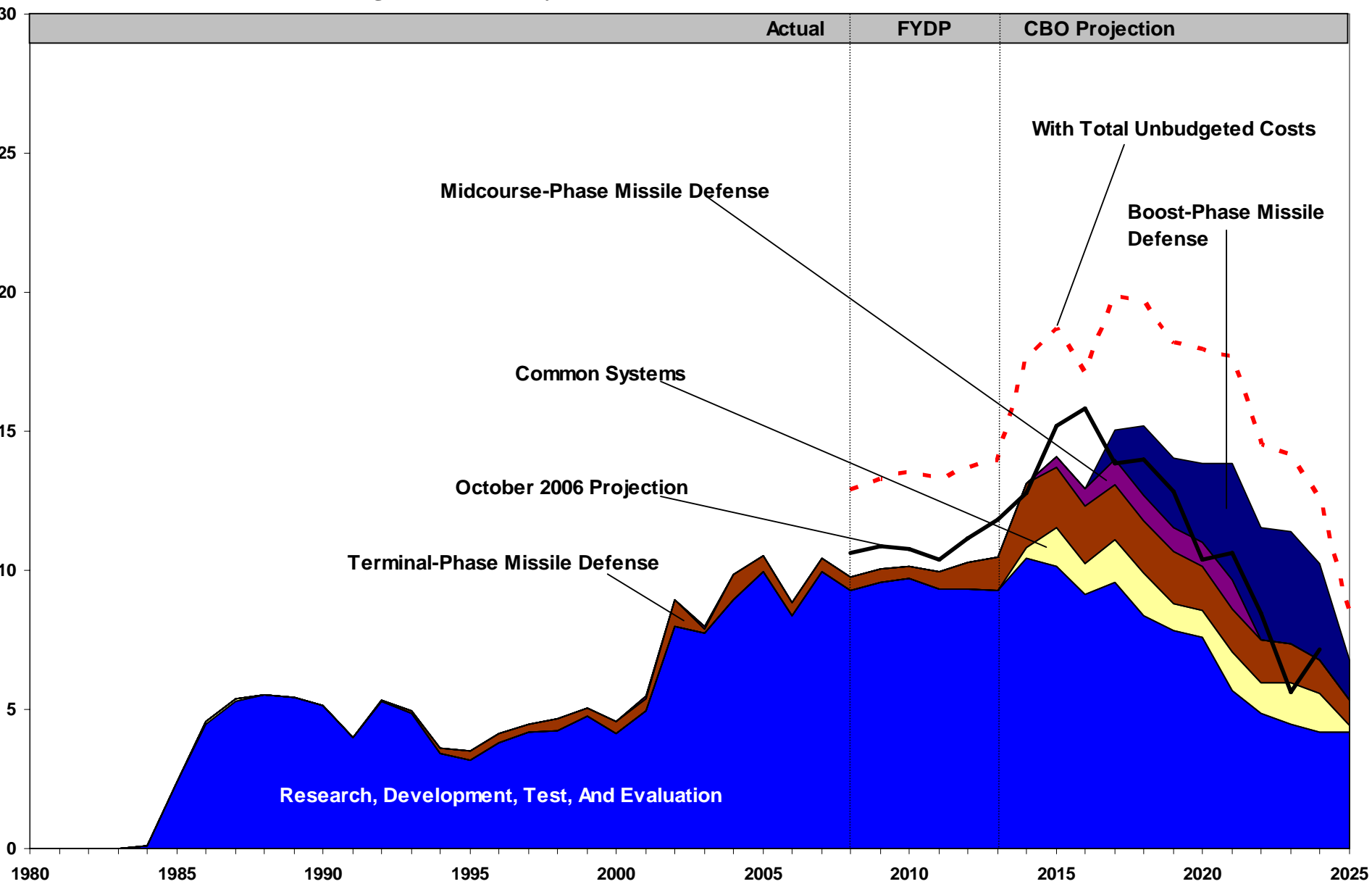


Figure 3-30 Updated

Past and Projected Investment Funding for Missile Defense

(Billions of 2008 Dollars of Total Obligational Authority)



## Appendix A

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### Calculating Steady-State Procurement Funding and Fleet Half-Lives

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To provide measures to use in assessing the long-term implications of the Administration's current procurement plans, the Congressional Budget Office (CBO) estimated how much the Department of Defense (DoD) would need to spend on major procurement each year to sustain its forces and keep the average age of various types of weapon systems constant.

Those estimates are based on the number of weapons that DoD has in its current inventory, the projected life spans of those weapons, and the costs of their replacements. For example, the Air Force's desired inventory of fighter and attack aircraft totals about 2,200 planes (including reserves to replace lost or damaged planes). In the past, the Air Force expected to keep its fighter and attack aircraft flying for about 20 years before replacing them. Beginning in the 1990s, however, the service planned to retain its fighters for 30 years or more. Thus, for Air Force fighters, CBO assumes service lives that span 20 to 30 years.

Annual steady-state purchases equal the desired inventory level divided by the expected service life—or, in this case, purchases of 72 to 108 Air Force fighters per year. The cost of the Joint Strike Fighter (JSF) and the F-22 aircraft, which will eventually replace current fighters, ranges from about \$80 million for the Air Force version of the JSF to about \$180 million for the F-22. (The Air Force plans to replace some 80 percent of its

fleet with the lower-cost JSF.) CBO multiplied annual steady-state purchases for each type of aircraft by the estimated cost for each replacement to estimate total steady-state procurement costs for the Air Force's fleet of tactical aircraft. That estimate ranges from \$5 billion to about \$8 billion a year.

Steady-state procurement funding relates only to the size and type of systems purchased; it is independent of the current amount of the procurement budget. Implementation of actual plans could bring annual budgets that are higher or lower than steady-state levels. If DoD bought all systems in the annual quantities reflected in a steady-state estimate, inventories of equipment would eventually be evenly distributed throughout the age range from new deliveries to systems at retirement age. For inventories with such an age distribution, annual retirements would be steady rather than varying from year to year, as would happen if systems were purchased unevenly. The average age of each type of equipment would eventually equal half the equipment's service life and would neither increase nor decrease thereafter. Thus, steady-state funding would ensure that a fleet's average age remained stable at the half-life of that fleet's expected service life.

## Appendix B

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### Selected Acronyms and Abbreviations

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**AAV:** amphibious assault vehicle

**ABL:** Airborne Laser

**C4ISR:** command, control, communications, computers, intelligence, surveillance, and reconnaissance

**CBO:** Congressional Budget Office

**CVN:** Aircraft Carrier, Nuclear-powered

**DoD:** Department of Defense

**ECI:** employment cost index

**EFV:** Expeditionary Fighting Vehicle

**FCS:** Future Combat Systems

**FUR:** Future Utility Rotorcraft

**FYDP:** Future Years Defense Program

**GDP:** gross domestic product

**GMD:** Ground-Based Midcourse Defense System

**HIMARS:** High-Mobility Artillery Rocket System

**JHL:** Joint Heavy Lift

**JSF:** Joint Strike Fighter

**KEI:** Kinetic Energy Interceptor

**LAV:** Light Armored Vehicle

**LCA:** Light Cargo Aircraft

**LCS:** littoral combat ship

**LHA(R):** Landing Helicopter Assault (Replacement)

**LRSA:** long-range strike aircraft

**LUH:** Light Utility Helicopter

**MDA:** Missile Defense Agency

**MILPERS:** military personnel

**MLRS:** Multiple-Launch Rocket System

**MPF(F):** Maritime Prepositioning Force (Future)

**O&M:** operation and maintenance

**O&S:** operation and support

**OMB:** Office of Management and Budget

**SAR:** Selected Acquisition Report

**STSS:** Space Tracking and Surveillance System

**TOA:** total obligational authority

**UCAV:** unmanned combat air vehicle